



Daily Report

China

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General

Further Comments From Foreign Ministry Spokesman

Views U.S., Taiwan Issues

OW0709142295 Beijing ZHONGGUO XINWEN SHE
in English 0507 GMT 7 Sep 95

[FBIS Transcribed Text] Beijing, September 7 (CNS) — The heart of current Sino-U.S. relations is how to limit adverse impacts occasioned by Li Teng-hui's visit to the U.S., Chen Jian, Spokesman of the Ministry of Foreign Affairs, said in response to a reporter's question at a press conference held by the Ministry this afternoon.

On the issue of Sino-U.S. relations, China hoped the U.S. Government would take practical and effective measures instead of creating further troubles and obstacles, Chen added.

When commenting on the Taiwan issue, Chen reiterated that China is not opposed to countries developing non-official economic and trade relations with Taiwan. However, China strongly opposed any moves to provide Taiwan with arms.

The mainland welcomes Taiwan compatriots as visitors or investors. Their legitimate interests will be safeguarded, Chen stated.

Further on Issues

OW0709143595 Beijing ZHONGGUO XINWEN SHE
in Chinese 1206 GMT 7 Sep 95

[FBIS Translated Text] Beijing, 7 Sep (ZXS) — On 7 September, Chinese Foreign Ministry spokesman Chen Jian said that the key issue of current Sino-U.S. relations is eliminating the bad impact created by Li Denghui's [Li Teng-hui] visit to the United States.

Chen Jian said this when answering a question by a reporter at a Foreign Ministry news conference.

Responding to a question on Sino-U.S. relations, Chen Jian said: China hopes the United States will adopt practical and effective measures concerning Sino-U.S. relations instead of creating new trouble [ma fan 7302 3565] for and obstacles to Sino-U.S. relations.

While answering a question on the Taiwan issue, Chen Jian reiterated that China is not opposed to countries developing non-official trade and economic relations with Taiwan. However, China is strongly opposed to the selling of weapons to Taiwan or participation in arming Taiwan.

Chen Jian said: China welcomes Taiwan compatriots to go the mainland of the motherland for sightseeing

purposes or as investors. Their legitimate rights and interests will be protected.

On Cross-Strait Ties, NATO

OW0809060495 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 7 Sep 95

[From the "News and Current Events" program]

[FBIS Translated Excerpt] At a regular news briefing of the Ministry of Foreign Affairs on 7 September, Foreign Ministry spokesman Chen Jian answered Chinese and foreign reporters' questions on cross-strait relations, repatriation of Vietnamese boat people from Hong Kong, and other issues. [passage omitted]

On cross-strait relations, Chen Jian said: The only way to improve cross-strait relations is for the Taiwan authorities not to create again two Chinas or one China and one Taiwan.

[Chen Jian] [begin recording] The eight-point view expressed by General Secretary Jiang Zemin this spring has comprehensively expounded our proposition and stand on cross-strait exchanges and on the promotion of reunification of the motherland. At present, the key to restoring cross-strait relations lies in the Taiwan authorities abandoning any act of creating two Chinas or one China and one Taiwan or sabotaging the motherland's reunification. As far as the Taiwan authorities are concerned, what we are asking them to do is not [words indistinct]. To put it specifically, we will not let them do anything to sabotage the motherland's reunification. As for exchanges at other levels, Taiwan compatriots are continuing to come to the mainland to sightsee, visit, and invest. We continue to welcome them to do so and will provide them with all the necessary conveniences. [end recording]

A reporter asked about China's position on NATO's resumption of air strikes in Bosnia-Herzegovina. Chen Jian replied: [Begin recording] China disapproves of NATO's air strikes in Bosnia-Herzegovina. In our view, the use of force will not help promote the process of peaceful settlement of the Bosnia-Herzegovina issue; rather, it is likely that the use of force will intensify the problem and make the issue more complicated. Particularly when the Bosnia-Herzegovina situation is changing, all parties involved in the conflict have expressed a positive intent to settle the issue peacefully. Under such a situation, we should urge even more all the parties in Bosnia-Herzegovina to exercise restraint and seek a peaceful settlement that is acceptable to them all through peace negotiation. We also hope that the international community will step up further political and diplomatic efforts to create a favorable

environment for peace negotiations and to promote the political settlement of the Bosnia-Herzegovina issue. [end recording]

Views Conference, NGO Forum

OW0809105395 Beijing China Radio International in English to Western North America 0400 GMT 8 Sep 95

[Report by China Radio International's Xia Jixuan; from the "Current Affairs" program]

[FBIS Transcribed Excerpt] All Vietnamese refugees must leave Hong Kong before 1 July 1997, when Hong Kong returns to the embrace of China. That was the stern message delivered at the Foreign Ministry news conference on Thursday [7 September]. Here is Xia Jixuan with the details. [passage omitted]

Chen Jian also responded to questions concerning the ongoing NGO [Non-Governmental Organization] Women's Forum and the UN Fourth World Conference on Women in Beijing. Questions were raised about criticisms of human rights in China and the organization of the women's conference. The criticism was brushed aside by the Foreign Ministry spokesman.

[Chen heard briefly in Mandarin, fading into English translation] Chen Jian says: China is delighted to see representatives from various countries working in an atmosphere of mutual respect, friendship, and cooperation. China has also noticed that some countries are making unwarranted remarks and criticisms. He says this goes against the theme of the conference which is equality, development, and peace. He asks those people to take care of their own business in their own country and clean their own courtyard.

For China Radio International, I am Xia Jixuan.

Further Comments on Conference

OW0809110295 Beijing XINHUA in English 1049 GMT 8 Sep 95

[FBIS Transcribed Text] Beijing, September 8 (XINHUA) — Chinese Foreign Ministry spokesman Chen Jian answered here today questions from correspondents related to China's organization work for the United Nations Fourth World Conference on Women.

In response to a question whether the alleged surveillance and harassment by Chinese police of some non-governmental organization (NGO) participants conform to the relevant provisions of the United Nations, Chen Jian said, "I do not know the specifics you referred to. I would like to reiterate that, during the world women's conference, the activities within the meeting sites must be in line with the relevant UN provisions; and the ac-

tivities outside the meeting sites must be in line with Chinese laws and regulations. Under these premises, Chinese security departments will make efforts to ensure a successful convening of the conference."

When asked about China's regulations concerning press conferences, Chen Jian said that in the case of governmental organizations, they should contact the host Chinese departments with a view to making arrangements, and NGOs should ask those who are concerned.

"To my knowledge," he said. "The United Nations Department of Public Information should be contacted if press conferences are to be held in the press center of the conference."

Asked to confirm an AFP report that Winnie Mandela of South Africa was not admitted into the welcoming ceremony for the delegates of the women's conference, Chen Jian said the invitations to the government delegations to the welcoming ceremony were sent out by the Chinese Ministry of Foreign Affairs.

Winnie Mandela was not on the list of South African government delegation provided by the government of South Africa, Chen said.

Further Reportage on NGO Forum in Huairou

'Biased' News Coverage Cited

OW0809113095 Beijing XINHUA in English 0855 GMT 8 Sep 95

[FBIS Transcribed Text] Huairou, Beijing, September 8 (XINHUA) — Six participants attending the ongoing Non-Governmental Organizations (NGO) Forum on Women criticized the Western media for their biased news coverage of the forum, saying it is an insult to all the participants.

At a joint press conference here in Huairou, venue of the forum this morning, the participants, who are from Lebanon, Spain, Norway and the United States also expressed their thanks to the Chinese side for its "excellent" organizing efforts.

Prof. Siba Fahoum [name as received], who presided over the press conference, said they felt "surprised and angry" about some Western media, the US Cable News Network (CNN) and the Voice of America (VOA) of the United States in particular, which only stressed on the negative factors and failed to see the "productive" things that came out of the discussions.

Minor mistakes are inevitable for any country in the world to host such a large conference with so many people attending, she said. However, some Western media have shaded away from the positive sides of the

conference, but focused on the negative factors. "It is an insult to us all participants at the forum. This is unfair and injustice," she stated.

Professor Sia Fahoum said, participants from Asia, Africa, Latin America and the Arab world as well as "a great number of European countries" shared this point of view.

Meyer Victoria from Chicago of the United States, who is involved in reproductive health care, said, her husband, also a journalist, called her everyday and asked was all right [as received], because some reports he read in the US described the situation here as "horrible."

She told her husband that those reports were "negative" and everything was "OK" here.

Vitoria said that the media should give adequate coverage of the participants' enthusiasm and their contributions to the forum. This is what a journalists should have done, she added.

She criticized the Western media for only focusing on the demonstrations and cultural events, as they gave the people a wrong impression that the participants came here just for singing and dancing, and idled around and went shopping as tourists.

"This is not fair," she said, adding that they were here for unity and communication, and had conducted in-depth discussions on issues they were facing in the hope of bringing "a change to the world".

When a correspondent of a British newspaper, the Observer, expressed his doubt over whether participants have benefitted from the forum, Hundala Heida from Norway said she has attended many workshops, learned a lot and knew better about herself.

"I have a lot to tell when I am back home," she said.

"Before I came here, I was told that it is rather dangerous here. But I found everything is all right here. I am satisfied with everything," she said.

Dabbagh Roba [name as received] from Lebanon said "I don't care about politics and media. But I do hope the media should be objective." Yet, She said, a demonstration report Tuesday by the VOA was "not true," for the report said that the parade was under heavy surveillance by secret police, each every one meter.

"It is not true for I was there in the parade," Roba said.

When asked why Western media made distorted coverage of the conference, Meyer Victoria said that women have always been in subjective position, and the forum has given women worldwide an opportunity to come to-

gether and have widespread exchanges to seek solution to the problems facing them.

It is a very good thing, she said, but narrow-minded nationalists viewed it as a threat to them, for in their eyes the best way to keep women in subjective position is to have them shut up.

A Westerner who claimed to be a French journalist raised doubts about what the speakers had said. Many people argued with him at once and doubted if he, with strong American accent, is a French. Pursued by some journalists, he had to admit that he was a US journalist.

At the press conference, the six speakers expressed their sincere thanks to the Chinese side for its "very good job" in organizing the forum.

Najjar Anissa [name as received], who has some trouble with her knees, said that the Chinese people are very "friendly and helpful." Every day two volunteers helped her get on the shuttle bus and accompanied her to the workshop site.

"This is something you would not often see elsewhere," she said.

Prof. Fahoum said that she was deeply touched when they learned that the volunteers got up at half past four every morning and hurry to the forum sites. "I want everyone of you to remember those young smiling faces," she said.

Further on UN Fourth World Women's Conference

XINHUA Replaces Chen Item

OW0709132895 Beijing XINHUA Domestic Service in Chinese 1357 GMT 2 Sep 95

[The following was issued by XINHUA Domestic Service in Chinese as a replacement for an earlier report on Chen Muhua hailing the opening of the fourth World Conference on Women, which it subsequently killed, and notes that the article is carried in issue NO. 17 of QIUSHI. The two versions were compared and the only difference between the two is that the killed version uses Cardinal symbols to denote fractions throughout the article while the replacement version uses Chinese numerals to denote them; "Speech by Chen Muhua: Equality, Development, and Peace are the Common Pursuit of Women all Over the World — Greeting the Opening of the Fourth World Conference on Women of the United Nations" — XINHUA headline]

[FBIS Translated Text] Beijing, 2 Sep (XINHUA) — The fourth World Conference on Women [FWCW] of the United Nations will soon open in Beijing, China's capital. This will be the largest international

conference ever hosted by our country, and a large international conference at which the governments of UN member countries and the international community will study and make policy decisions on women's issues. This year coincides with the 50th anniversary of the United Nations' founding, and the 20th International Year of Women initiated by the United Nations. The convocation of the FWCW in Beijing at this time will surely command the attention and arouse the interest of people in various countries in the world.

That the World Conference on Women of the United Nations is being held in Asia for the first time is an honor both for the people of Asia and China. Our country's selection as the conference host shows that China is universally acknowledged as being capable of making relevant preparations for the conference, and signifies an interest in China's development among the world's people, and our country's increasingly important role in international affairs. Moreover, the conference's convocation is a full affirmation of the tremendous achievements of China's burgeoning women's liberation movement. Therefore, it is an honor for our country to host this conference, which constitutes our country's contribution to the cause of women of the United Nations and the world.

The FWCW's theme is unequivocal and clear-cut: Equality, development, and peace. Equality means equal opportunities are created for all women to enjoy their rights; tap their potential; bring their abilities into full play; take part in their countries' political, economic, cultural, and social development; and equally enjoy the fruits of such development. Development means women participate fully in national and social development, and society recognizes women's contributions. Peace underscores women's important role in safeguarding world peace, opposing violence, and protecting the world environment. Equality, development, and peace are an indivisible whole. Only by taking an active part in the struggle for social development and the preservation of peace can women gain their status and realize the goal of equality with men. Only if there is equality between men and women can women take an active part in activities in all areas of society, assume responsibility for the future of their countries and the world, and truly promote peace.

Equality, development, and peace are the common demand and aspiration of women in various countries in the world. Women account for half of the world's current population of 5.7 billion. Besides undertaking social production, they are also responsible for human reproduction, and make special contributions to the development and progress of human society. Therefore, women should not only enjoy the same dignity, honor, rights,

and status as men, but should also enjoy society's special protection and recognition. Nevertheless, sex discrimination remains a universal problem in the present-day world, becoming a major obstacle to promoting equality between men and women. Legal provisions, rules, and regulations that discriminate against women still exist in some countries. Although some countries have formulated legal provisions that are conducive to equality between men and women, their implementation is fraught with problems, resulting in the continued existence of de facto sex discrimination. Women are often excluded from governments' policy-making process. They are the first to suffer when an economic crisis breaks out or the economies of developing countries worsen. Take employment. Despite their vastly varying conditions, countries share an appalling similarity in that the employment rate for women is remarkably lower than that for men. The problem of unequal pay for men and women doing the same kind of work is still widespread. Two-thirds of the world's 960 million illiterate people are women. When racism, racial segregation, and war threaten world peace, it is women who suffer the most, and there is not even protection for their personal safety. For this reason, equality, development, and peace are the common goal of women in various countries.

Equality, development, and peace have become the aim and action code of the international women's movement. Women are not just paying lip service in their pursuit of equality, development, and peace. More and more women are jointly seeking equality, unity, mutual help, and a common struggle by transcending the boundaries of countries, nations, and life spheres. All kinds of women's organizations around the world have developed rapidly. There are not only government and semiofficial organizations, but also civilian organizations. Apart from the Women's Position Council, which the United Nations has had, some women's institutions as well as transnational and transregional women's organizations have been established, such as the UN Council for the Elimination of Discrimination Against Women; UN International Research and Training Agency for the Enhancement of Women's Position, and UN Women's Development Fund. The international women's movement has made it possible for the relevant international treaties to be formulated and put into effect. For example, the Convention on Eliminating all Forms of Discrimination Against Women, which came into force in 1981, is an international legal document with all-inclusive contents and a widespread influence. So far more than 100 countries have gained the approval to accede to the convention. Women around the world have taken joint action on major issues. For example, the "International Women's Year" in 1975, "UN Decade of

Women" from 1976 to 1985, and the convening of the FWCW have all been major joint actions by women in pursuing equality, development, and peace.

Chinese women, who account for one-fifth of the world's female population, have pursued equality, development, and peace and have also registered world-renown major achievements in this respect. China has a large population of women, but in Old China they were long oppressed and at the bottom of society, having no rights in politics, no independence in economy, and no say in marriage. The feudal patriarchal clan system, lasting for several thousands of years, had quite heavily oppressed and trampled on Chinese women. The emergence of the CPC leadership brought light and hope to Chinese women's liberation. The founding of the PRC ended the history in which women had been oppressed and enslaved by feudalism for several thousand years and in which they were bullied and trampled on by foreign aggressors. Together with the people throughout the country, the large numbers of women became masters of New China.

As stipulated by the Chinese Constitution, "women enjoy equal rights as men in political, economic, cultural, social, and family life." Major laws promulgated by China, including the Marriage Law, Election Law, Inheritance Law, Mandatory Education Law, General Rules on Civil Law, Procedural Law on Civil Affairs, and Labor Law all provide detailed stipulations on women's equal rights. In particular, the PRC Law on Protecting Women's Rights and Interests, which was ratified in 1992, provides more comprehensive and more detailed stipulations than the previous law on women's rights and interests in terms of politics, culture, education, labor, property, personal safety, marriage, and family. The promulgation and implementation of this law constituted a milestone in the history of the Chinese women's liberation movement, will serve as a grand program for women's development in the future, and will also give expression to China's obligation in carrying out the UN Convention on Eliminating all Forms of Discrimination Against Women. In addition, the Chinese Government has also promulgated some 40 kinds of administrative laws and regulations, and local governments have formulated some 80 kinds of local laws and regulations, all providing explicit clauses on protecting women's rights and interests. China has formed a legal system that is based on the Constitution and takes the Law on Protecting Women's Rights and Interests as its main component — a complete legal system that protects women's rights and interests and promotes equality between men and women. No Chinese law has any provision that discriminates against women.

The CPC and the Chinese Government regard women's participation in the administration and discussion of state affairs as an important aspect of China's democratic construction. To better promote women's participation in the administration and discussion of state affairs, the party and government have, on many occasions, specifically issued documents and held meetings on training and selecting female cadres; devised plans for training and selecting female cadres; and set goals regarding women's participation in state affairs. According to Chinese law, women enjoy equal political rights with men; have the right to administer national and social affairs through various channels and in various forms; and enjoy an equal right to vote and be elected. Since the first elections of grass-roots people's deputies were held in 1953, the proportion of women standing in successive end-of-term elections has been over 90 percent. When the Eighth National People's Congress was held in 1993, there were 626 female deputies, or 21.03 percent of the total. The Eighth National Committee of the Chinese People's Political Consultative Conference has 283 female members, or 13.52 percent of the total. Since New China's founding, a woman has served as vice chairperson and honorary president of the country, two women have served as State Council vice premiers, and two women have served as state councilors. At present, women account for 32.44 percent of government functionaries. The number of female ministers or vice ministers under the State Council totals 16, and that of female vice governors in the country totals 18. More than 300 women have been elected mayors or vice mayors of 517 cities across the country. The CPC, a ruling party, currently has 55 million members, of which over 8 million are women. Many outstanding women have served in leadership posts at all levels in the party.

The Chinese Government has made fruitful efforts to help women participate fully in national and social development. The number of employed women has increased steadily, and the total number of women with jobs currently amounts to 246 million, accounting for some 44 percent of the work force and higher than the world average of 34.5 percent. Of these, 56 million are female workers and staff members in cities and towns, accounting for 38 percent of the total number of workers and staff members in the country. Half of the rural work force consists of women. Women are employed in a wide variety of fields. Nine out of 12 sectors of the national economy employ more than 1 million female workers and staff members each. These include industry, construction, communications and transportation, commerce, health care, culture and education, party and government organs, and mass organizations. From merely engaging in crop cultivation, rural women have extensively diversified into agriculture, forestry, animal

husbandry, sideline production, fishery, industry, commerce, transportation, and service. The principle of giving men and women equal pay for the same kind of work has basically been implemented, thus improving women's incomes and economic status. According to a 1990 survey, the average monthly incomes of male and female workers and staff members in cities were respectively 193.15 yuan and 149.6 yuan, while the average annual incomes of men and women in rural areas were 1,518 yuan and 1,235 yuan. On the All-China Women's Federation's initiative, and with the support of relevant government ministries and commissions, the massive "double-learning and double-comparison" (learn to read and write and learn technology, compare one's achievements and contributions with others') and "meritorious women" (women performing meritorious deeds to realize the 10-Year National Economic Development Program and the "Eighth Five-Year Plan" in the spirit of "self-respect, self-confidence, independence, and self-reliance") drives were extensively launched in urban and rural China in 1989 and 1991, respectively. These illustrate Chinese women's role of "holding up half the sky" in economic construction. The "double-learning and double-comparison" drive was mainly carried out in rural areas. Nationwide, 120 million rural women took part in the drive, with 90 million receiving all kinds of practical technical training, 23.03 million acquiring literacy, 510,000 obtaining job titles as peasant-technicians, and 15,000 gaining titles as advanced female experts at or above the provincial level. Nationwide, 37.76 million women in cities and towns took part in the "Meritorious Women" drive, with 4,672 gaining titles as "meritorious female pacesetters" at or above the provincial level. Women have achieved splendid results in economic construction. The Chinese Government has vigorously developed women's education. In regular education, it has taken measures to improve the rates of enrollment, attendance, and admission into higher grades for women. In some remote border areas, poverty-stricken areas, and minority regions, it has worked hard to remove obstacles to women receiving an education by opening classes and schools for girls, and allowing them to attend schools free of charge. By 1993, China had more than 8 million female scientific and technological personnel, or one-third of the total number of such personnel. The number of professional and technical personnel in maternity and child health care totals 2.27 million, or 55 percent of the total number of medical personnel. Chinese women have also played an irreplaceable role in promoting cultural and ethical progress in society, and in safeguarding social stability. In China, family life based on love and equality between men and women has become the main trend for families in our country.

We have always held that women are an important force for maintaining world peace. And peace plays a role in the world's future and in the fate of the people of all countries, especially women. Over the years, Chinese women have made unremitting efforts to safeguard world peace and oppose imperialism, neo-and old colonialism, hegemonism, racism, fascism, and terrorism of all forms. Since China regained its legitimate seat at the United Nations in 1971, China has actively participated in women's activities of UN organizations. On five occasions, China was elected a member of the UN Committee on Women's Status, and was elected four consecutive times to the UN committee on eliminating discrimination against women. Chinese women have actively promoted the engagement with women's organizations and female personalities of all countries in an effort to promote peace and friendship. Currently, the All-China Women's Federation has established friendly relations with nearly 480 governmental and nongovernmental women's organizations and children's organizations of more than 130 countries and regions. The All-China Women's Federation has cooperated with UNICEF, the UN Fund for Women's Development, and other organizations in launching more than 700 projects in China's 30 provinces, autonomous regions, and municipalities to train over 300,000 people. The projects include wiping out illiteracy among rural women, providing practical technical training to them, providing vocational training to unemployed young women in urban areas, providing training to preschool teachers, and promoting maternal and child health education and family education. One of the projects that was designed to help young people get employed won a special prize awarded by the UN Fund for Women's Development. Since 1980, China has provided 101 material aids for women's and children's organizations of 50 countries, and has, on many occasions, sent people to developing countries to provide technical training to local women, winning the favorable comments of local governments and people. Chinese women's friends are around the world.

What should be pointed out is that some foreign people with ulterior motives have used human rights as a pretext to wantonly criticizing and interfering in China's women's liberation movement. These people, ignoring the great achievements China has made in family planning, women's employment, and women's participation in government and political affairs, have wantonly slandered and attacked China. We cannot tolerate this. China's brilliant achievements in the women's liberation movement fully demonstrates that China's human rights situation has fundamentally changed. The primary human rights are the right to develop and the basic right to survive. China has basically kept 22 percent of the world's population fed and warm with seven percent

of the world's cultivated land, and the quality of life of the Chinese people, including Chinese women, has never been so good. These simple facts are sufficient to dismiss those shameless slanders against China's human rights situation and the Chinese women's human rights situation. These people have distorted China's efforts to develop women's human rights into an attempt to deprive women from their human rights, and have attacked China's efforts to protect women's human rights as an attempt to trample on them. What purpose can such attempts serve besides exposing these people's ulterior motives and malicious intents?

To better realize equality of men and women and to enable women to better participate in national and social development, the State Council recently promulgated the "Program on Development of Chinese Women (1995-2000)." The "program" specifies the tasks and the main objectives for the development of the undertakings concerning Chinese women in the next six years, and puts forth corresponding measures. This is the action program that will be guiding and promoting women's progress and development in our country. The promulgation and implementation of the "program" is of great significance for fully enhancing women's status, guaranteeing women's basic rights, and giving full play to women's great role in reform, opening up, and socialist modernization. At present, we will go all out to assist the government and the departments concerned by actively publicizing the significance of the "program" and its main contents, to the "four-selfness" [self-respect, self-confidence, self-determination, and self-strengthening] spirit of women, and to feats of various types of model women, and by helping the general public establish the Marxist viewpoint on women, thus striving for the accomplishment of the "program's" targets. Therefore, we should continue to do a good job in the following aspects:

First, comprehensively enhancing women's quality. It should be noted that women's quality is not only a matter concerning women's progress and the enhancement of their status, but also a matter concerning the enhancement of the Chinese nation's quality as a whole. At present, the overall quality of women in our country remains at a low level. The rate of women's participation in government activities remains at a low level; women's educational degree is not high enough, and there are still many illiterate women in some remote poor areas and some areas inhabited by national minorities; women's production skills and management knowledge still cannot meet the needs of their posts and this even causes difficulty for them to seek jobs; the feudalist mentality of viewing men as superior to women and looking down on women and putting women in

a position of being subservient to men remains in the minds of some people. To enhance the quality of people, it is first necessary to promote moral and ideological education for them and enhance their ideological consciousness. It is necessary to mobilize the vast masses of women to earnestly study comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and master the stand, viewpoint, and method of Marxism for considering new things, resolving new issues, keeping a lofty ideal and firm belief, establish a correct outlook on life, correct values, and noble morality and sentiment. Women should carry forward the spirit of self-respect, self-confidence, self-determination, and self-strengthening; be conscious in resisting the corrosive influence of decadent Bourgeois ideology and way of life. They should also make painstaking efforts to perfect their work skills and strive to become experts in their own trades and become qualified personnel in the cause of socialist modernization. Women's political, technical, physical, and mental qualities should be enhanced comprehensively.

Second, actively participating in the great cause of reform, opening up, and socialist modernization. Fully participating in social activities is a correct way to effect women's further emancipation. The vast women masses should take an active part in the cause of reform, opening up, and socialist modernization; correctly approach problems and difficulties that women may be facing in the course of reform; correctly approach the relationship between individual interests and collective interests, or between individual interests and national interests, or between immediate interests and long-term interests; and firmly keep confidence in reform. They should know that the establishment of the socialist market economy and the continuous and steady development of the national economy will bring social economic benefits to the entire people, including women, and will also open up more channels and bring about more opportunities for women's participation in social life. Therefore, women should emancipate their minds, carry forward the spirit of exploration, bold practice, be courageous in taking new roads and breaking fresh ground, and continue to make new contributions to reform and construction.

Third, continuing to do a good job in safeguarding women's rights and interests. Because of our country's vast territory, economic and cultural development in various areas is uneven, and there will still be a wide gap between cities and the countryside, coastal and inland areas, and developed and remote border areas that may have been old revolutionary bases and are inhabited by national minorities. In some areas, new problems related to the violation of women's rights and interests

may occur. Therefore, the comprehensive implementation of the "Law on Guaranteeing Women's Rights and Interests" and the struggle against various types of misconduct in violating women's rights and interests will be a long-term and arduous task. It is necessary to make greater study and propaganda efforts and create a favorable opinion environment and a benign atmosphere of respecting women and protecting women in society. Institutions for guaranteeing women's rights and interests should be established and perfected so that organizational guarantees will be ready for safeguarding women's rights and interests and the work of coordination and supervision will be done properly. Resolute action should be taken to resist various ugly social phenomena and sternly crack down on illegal and criminal activities of violating women's rights and interests, thus purifying the social environment.

Fourth, give full play to the role of women's federations at all levels. The Women's Federation is a mass organization for women in all social circles to jointly strive for their further emancipation under the CPC leadership, and it shoulders the great responsibility for uniting and educating the vast women masses and organize them to work hard for building ours into a prosperous, strong, democratic, socialist country with a high degree of civilization. The Women Federation's successful work will provide an organizational guarantee for the development of the cause of women's emancipation. Women's federations at all levels should work under the guidance of the theory on building socialism with Chinese characteristics, effectively serve the central task of economic construction, bring their own advantages into play, safeguard women's rights and interests more effectively, carry out such activities as "double-learning and double-competition" and "prompting women to render meritorious service," unite women of all nationalities in all circles to make new contributions to advancing reform, opening up, and modernization.

Some people think that women's affairs are only related to women themselves, or are matters to be handled by women's federations. This is just a one-sided point of view. The handling of women's affairs needs care and support from all social circles, and is also the common responsibility of all social circles. Leading cadres at all levels should first attend to such affairs personally, and take the lead in advocating and putting into practice the Marxist viewpoint on women. Party committees and governments at all levels should adopt effective measures to include the work concerning the development of women's and children's well-being into their general social development programs. With the understanding and support of all social circles and with the joint efforts of the vast number of women

comrades, we shall certainly be able to push the cause of women's emancipation to a new high. Chinese women will certainly make greater contributions to the healthy development of the world's women movement in the course of pursuing the objective of equality, development, and peace.

China has made brilliant achievements in the emancipation movement of women and has established fine traditions in this field. Chinese women have earned a social status noticed and extensively admired by the world. Such a nation is certainly worthy of being the host of the FWCW. We have made the most positive preparations for the holding of the FWCW. Women in the whole country are looking forward to the opening of the conference! And we wish every success to the conference!

Peng Peiyun Speaks

OW0809033595 Beijing XINHUA Domestic Service
in Chinese 1310 GMT 5 Sep 95

[Speech delivered by Peng Peiyun, deputy head of the Chinese Government Delegation and a state councillor, at the Fourth World Conference on Women on 5 September]

[FBIS Translated Text] Beijing, 5 Sep (XINHUA) — President of the conference, fellow delegates, ladies and gentlemen:

First of all, on behalf of the Chinese Government and the Chinese people, I would like to welcome warmly friends from the five continents who have gathered in Beijing to discuss major concerns of women all over the world. I would also like to greet cordially the president of the conference and members of the presidium and wish the conference success in advance!

Women's issues are among the major social concerns of the international community. Since the 1985 Third World Conference on Women, the ideals of "equality, development, and peace" put forward by the Nairobi Strategies have become common goals of the international community and governments of various countries. The emancipation of women and equality between men and women have become irreversible historical trends in the international community. In the meantime, it should be noted that implementation of the Nairobi Strategies has been unbalanced, with women of various countries encountering all sorts of difficulties and obstacles in developing themselves and many others around the world still being threatened by poverty, hunger, disease, and chaos caused by war. The situation calls for long-term, arduous efforts to further enhance the status of women and to realize true gender equality.

President of the Conference:

The on-going conference is a conference of great turn-of-the century significance. The "Action Programs" and the "Beijing Declarations" to be formulated will certainly have far-reaching impact on the future of women's causes worldwide. The Chinese Government would like to put forward the following proposals on women's development for common exploration and discussion:

— Women play a great role in creating human civilization and achieving social progress. Since women and men are both driving forces in the progress of mankind and creators of material and spiritual civilization in the human society, they should enjoy the same human dignity and respect and the same rights and status. Therefore, respect for women, protection of their fundamental human rights, and conditions that give full play to their talents and potential are important indications of social progress and should be included in the legal framework and ethics of civilized societies.

— The development of women's causes is always closely linked with the progress of the whole society. The realization of gender equality and the enhancement of women's status are closely related to the improvement of the political, economic and social environment to which women owe their survival. Only when economic prosperity is energetically pursued in peace, with a view to eradicating poverty and promoting overall social progress, can women have opportunities for extensive participation in developing and enjoying equal rights. The progress of the whole society, on the other hand, cannot be achieved without the development and advancement of women. Women should work together with men to promote social progress, share the accomplishment thereof, and achieve their own emancipation while participating in social development.

— National governments are duty-bound to achieve the goals set forth in the Nairobi Strategies by the end of the current century. They should make new political commitments to this end, formulate policies and measures suited to their national conditions, and put them into practice. Women, on their part, should also endeavor vigorously to achieve emancipation.

— The development of women's causes calls for enhanced international cooperation, which must be based on mutual respect, equality and mutual benefit and must be consistent with the objectives and principles of the UN charter. The developed countries have an obligation to assist the developing nations, and the United Nations and its relevant agencies should make new contributions in this regard.

President of the Conference:

Since the founding of New China in 1949, Chinese women have become masters of the nation, with further enhancement of their status amid active participation in economic construction and social development. In particular, new chapters have been added to the development of women's causes since 1979, when China introduced reform and opening up. Since the Third World Conference on Women, the Chinese Government, as always, has attached great importance to women's causes.

In conscientiously implementing the Nairobi Strategies, the state has promulgated a series of laws and regulations to protect women's rights and interests, including the "Law on Safeguarding the Rights and Interests of Women." A large number of women have become leaders at various levels, and the women's work force has increased by 11.4 million, a 25-percent increase over 1985. Tens of millions of women have shaken off poverty and become prosperous, with over 30 million succeeding in reading and writing and more than 96 percent of girls of school age attending schools. Marrying the partner of one's choice, maintaining family harmony, respecting the elderly, and caring for the young have become the order of the day. With an average life expectancy of 72, the Chinese women are now enjoying equal rights, which were denied to them for thousands of years in old China and which some developed countries took hundreds of years to recognize. Carrying forward the spirit of self-respect, self-confidence, self-support, and self-improvement, they have made important contributions to national economic development; to science, culture, education, public health, and sports; and to both material and spiritual civilization.

President of the Conference:

China has scored remarkable achievements in the advancement of women; however, as a developing country constrained by inadequate social and economic development and outdated attitudes, China still faces many problems in this regard, and further efforts are required. Recently the Chinese Government, after taking into consideration its own condition, has formulated and promulgated the "1995-2000 Chinese Women's Development Outlines" as action programs for guiding and promoting the progress and development of the Chinese women. The Chinese Government has set overall goals for women's development right up to the end of the century, such as marked enhancement of the overall quality of women; further implementation of equal rights with men in the political, economic, cultural, and social fields as well as in family life, according to law, while participating fully in economic construction and social development and in management of state and social af-

fairs. To achieve these goals, we are prepared to take the following practical measures:

1. To ensure women's full participation in economic construction, the state will formulate plans to develop human resources of women, widen the scope of employment for women, increase the women's work force, expand vocational training for women, achieve reasonable work compensation, offer labor protection and social security, and enhance the level of socializing housework. Special assistance will be given to women in poor, backward areas and women facing the worst conditions, to help them shake off poverty as soon as possible.

2. To vigorously develop women's education, the state will place priority on educational development, strive to eliminate illiteracy among young and healthy women across the country, and promote basic nine-year compulsory education nationwide. Efforts will be made to lower the dropout rate among school-going girls and gradually raise the ratio of women receiving secondary and college education.

3. To improve women's health, the state will support and help mother-and-child clinics enhance their service capacity so that all women in both urban and rural areas will receive health care, including good maternity services.

4. To protect the rights and interests of women, the state will continuously improve laws and regulations on protection of women's rights and interests; promote legal education widely; and punish, according to law, various acts infringing women's rights and interests.

5. To increase women's participation in politics continuously, the state will formulate plans for training and selecting women cadres, actively create conditions to improve the quality of women cadres, and make sure that more women will assume important responsibilities in government organizations at various levels.

6. To further improve women's institutions, the state will improve the performance of these institutions at various levels by establishing a system to monitor women's conditions and by attaching importance to the functions of non-governmental organizations.

President of the Conference:

The task on realizing gender equality is a long-term, arduous one. We will, together with governments of other countries, make unremitting efforts to enhance the status of women all over the world. The Fourth UN World Conference on Women undertakes a glorious task. With ardor and sincerity and on the basis of mutual respect, friendly cooperation, consultation and unanimity, and seeking common ground while reserving

differences, we are prepared to work with delegates from other countries to make this conference a success.

Let all women all the world be united to create a better future together under the banner of "equality, development, and peace."

Thank you!

Further on Clinton Speech

OW0609131995 Taipei China Broadcasting Corporation News Network in Mandarin
2300 GMT 5 Sep 95

[From the "Hookup" program]

[FBIS Translated Text] When addressing the UN World Conference on Women in Beijing, U.S. first lady Hillary Clinton attacked the Chinese Communists for placing restrictions on debate procedures at the conference. [words indistinct] At the same time, she also took a swipe at the Chinese Communists on forced abortion and (?sterilization.) In her address, Hillary made no direct reference to the Chinese Communists, but the (?criticism) was obviously directed at the Chinese Communists and was warmly acclaimed by the conference delegates.

The Chinese Communists maintained silence at the sharp criticism from the U.S. first lady. The Chinese Communist official media did not report Hillary's speech and made almost no mention of Hillary's presence in Beijing.

After her speech, when interviewed by the media, Hillary noted that her speech may cause [indistinct] to bilateral relations between the United States and China, that is, the U.S. and the Chinese Communists. She said both sides are making efforts to improve bilateral relations.

Today, Hillary will visit Huairou to address the Non-governmental Organization forum on women.

Qiao at Parliamentarians' Day

OW0709123595 Beijing XINHUA in English
1222 GMT 7 Sep 95

[FBIS Transcribed Text] Beijing, September 7 (XINHUA) — More than 500 parliamentarians from over 90 countries attending the on-going UN Fourth World Conference on Women (FWCW) and the Non-Governmental Organizations (NGO) Forum on Women '95 attended here today a Parliamentarians' Day launched by China's top legislative body and the Inter-Parliamentary Union (IPU) in the Great Hall of the People.

In his welcoming speech, Qiao Shi, Chairman of the Standing Committee of China's National People's Congress (NPC), said: "This year marks the 50th anniversary of the founding of the United Nations. It coincides with the 20th Anniversary of the "International Year of Women", which was launched by the UN and the 10th anniversary of the adoption of the Nairobi Forward-Looking Strategies for the Advancement of Women.

"On this memorable occasion," Qiao said, "women representatives from all the five continents gathered in Beijing to discuss the guidelines and plans for the advancement of women and formulate the relevant programs for action. This is another milestone in the advancement of global women's cause."

Qiao said: "Women are a great force in the creation of mankind civilization and promotion of social progress. Parliaments of various countries and their members have a special historical mission in ensuring equal rights between men and women in the political, economic, cultural, educational and social life and in promoting the advancement of the women's cause in the world."

He said that China's NPC is ready to join parliaments of other countries and make long-term and unremitting efforts to realize the noble goal.

IPU President Ahmed Sorour said on the occasion that NPC women deputies account for 21 percent of the total NPC deputies in China, ranking 15th in the world. But the latest IPU survey shows that the world-wide women representation is only half of the figure in China.

Sorour said it is quite clear that inequality and the lack of women's participation, or rather the poor recognition of their contribution to society, are at the core of many problems facing our communities.

"As parliamentarians," Sorour added, "We will have special responsibility for translating the results of the Beijing Conference into national policies and legislation and to vote for the relevant budgets. It will also be our responsibility to ensure that our governments honor their commitments."

Gertrude Mongella, Secretary-General of the FWCW and former parliamentarian, also addressed this gathering. She said: "let us remember that if women constitute more than half of the global population, then their continued exclusion from national parliaments is very unfair."

Mongella called on all the attending parliamentarians to make further contributions to changing the present situation of the serious lack of women's participation in political affairs.

A "Parliamentarians' Day Declaration" was adopted on the occasion to ensure effective actions after the Beijing conference and the strategies the parliamentarians should take.

Chen Muhua, NPC Vice-Chairwoman and FWCW President, presided over today's activities.

Draft Declaration Passed

OW0709134595 Beijing XINHUA in English
1238 GMT 7 Sep 95

[FBIS Transcribed Text] Beijing, September 7 (XINHUA) — Over 500 parliamentarians from more than 90 countries and regions attending the UN Fourth World Conference on Women (FWCW) passed a parliamentary declaration today to ensure an effective action and the strategy that should be adopted by parliaments following the end of the gathering of the world's women.

The declaration, named "Draft Beijing Parliamentary Declaration," says, "At the dawn of the 21st century, the principle of equality between men and women has been established in nearly all our constitutions and fundamental laws. Few indeed are the countries where the right of women to vote and be elected has not yet been recognized and exercised."

"Women make up half or more of the population" of all the countries and regions. They have in under a century become an active labor force whose nationwide economic impact is often equal to and sometimes exceeds that of men. In some little-industrialized countries, they are the mainstream of the entire "informal" sector and bear the brunt in agriculture, the declaration says.

Women remain sidelined at all levels of decision-making, especially in politics, and their economic contribution continues to be shaded over in national statistics and assessments, the declaration continues.

By transforming a mode of governance and management based upon a wrong hierarchy of gender, women should not only be allowed to use their ability to govern but also tap their particular creativity and values, while at the same time reflecting their realities, needs and aspirations.

"As parliamentarians, and whether men or women, we have a basic duty to represent the views and interests of both and to serve the common interest. We believe that national legislation must focus just as much on the interests, values and aspirations of women as on those of men. We undertake to work for the reform of any legislation discriminating against or liable to harm women," the declaration added.

The declaration calls on to build up a mechanism, parliamentary or otherwise, for measuring the impact on the situation of women of any draft law or bill and any related budgetary provisions. [sentence as received] "This could curtail a form of administration that has proved nothing but demanding to the community as a whole," the declaration noted. [sentence as received]

In the declaration, the FWCW is considered to be just a further step, one that must set off a long-term process aimed at an in-depth rebalancing of society. "It is for all of us, whether governments, parliaments, non-governmental organizations or individuals, to move towards that goal," says the declaration.

ROK Official Presents Award

*SK0809063995 Seoul YONHAP in English
0601 GMT 8 Sep 95*

[FBIS Transcribed Text] Beijing, Sept. 8 (YONHAP) — South Korean First Lady Mrs. Son Myong-sun, now here attending the UN Women's Conference, said Friday the illiteracy eradication drive being waged by the UNESCO is a shortcut to resolving structural problems facing the world.

"The fact that two thirds of the world's 1 billion illiterates are women well indicates where the issue of gender inequality begins with," Mrs. Son, the wife of President Kim Yong-sam, said.

The Korean first lady made the remarks in a speech at a ceremony marking the world illiteracy eradication day and also the presentation of the King Sejong award held at the Beijing Commodity Exchange.

Mrs. Son emphasized that resolving various problems like the widening gap between the rich and the poor, environmental pollution, violence and narcotics hinges on the success of illiteracy control.

During the ceremony, Mrs. Son presented the year's King Sejong award to the All-china Women's Federation and Ecuador, on behalf of which the award was received by Chen Muhua, women's federation president, and the Ecuadorian ambassador to China, respectively.

The award has been created at UNESCO under the sponsorship of South Korea in memory of Chosun Kingdom King Sejong credited with inventing the Korean alphabet "Hangul" reputed to be one of the finest letters in the world.

Mrs. Son is expected to return home Friday afternoon aboard a special plane.

Hong Kong Journalists Detained

*BK0809071795 Hong Kong AFP in English
0707 GMT 8 Sep 95*

[FBIS Transcribed Text] BEIJING, Sept 8 AFP) — Police detained and questioned three Hong Kong television journalists here Friday, then released them after two hours, after a cameraman received "education" and apologised for hitting a Chinese conference staffmember with his camera.

Journalist Tammy Tan of Hong Kong's TVB television station and two cameramen were manhandled into the back of a police van as they were filming a human rights group deliver a petition to the UN High Commissioner for Human Rights Jose Ayala-Lasso at the the UN World Women's Conference.

The official Xinhua news agency reported the three were taken away after one of them hit a Chinese conference staffer — who was trying to maintain order in a crowd — with his video camera.

Cameraman Au-Yeung Cham "hit one of the Chinese staffers on the head, chest and back with his tripod and video camera," Xinhua said.

"After receiving criticism and education, Au-Yeung admitted having hit the staffer and apologized to the staffer he had hit," the report said.

They were "taken way, questioned and released," said Carmen Luk at TVB in Hong Kong. Luk said she had no further information.

"The matter has been solved appropriately," Xinhua said.

Witnesses said the three journalists were aggressively manhandled into a police van as members of the Global Campaign for Human Rights (GCHR) marched to hand in a petition carrying one million signatures.

The incident took place outside the Beijing International Convention Centre, located within the site for the UN-sponsored conference and therefore under temporary UN sovereignty.

"One minute, we were walking along, and the next I saw this guy being pushed around and shoved into the back of a van," one eyewitness said.

The GCHR petition called for "reporting and accountability from the UN to ensure that women's human rights are respected."

The conference has been marred by strident complaints from delegates over heavy-handed surveillance and intimidation from Chinese secret police.

U.S. Trying To 'Interfere' in South Africa

HK0809020095 Beijing RENMIN RIBAO in Chinese
25 Aug 95 p 7

["International Forum" column by Wen Xian (3306 2009): "Bringing Contempt Upon Itself"]

[FBIS Translated Text] The United States recently exerted pressure on the South African Government in every way, requesting that South Africa cancel a deal with Iran on establishing a joint oil marketing enterprise. As the matter is related to state sovereignty, South Africa reacted strongly. Pik Botha, minister of mineral and energy affairs of South Africa, said: "South Africa will never yield to U.S. pressure." On 17 August, President Mandela pointed out frankly: "No country has the right to interfere in the internal affairs of another country."

As new South Africa was established not long ago, it bears no grudge with the United States. Last year South Africa decided to establish diplomatic relations with Cuba and recently decided to send an ambassador to Teheran. However, these internal affairs of South Africa made the United States "unpleasant." As a result, misunderstanding arose in relations between the two countries.

(Fanchir), manager of the Central Energy Fund Management Bureau responsible for South Africa's strategic oil reserves, declared on 20 July that South Africa will store 15 million barrels of oil for Iran at Saldanha Bay north of Cape Town, and that the joint oil marketing enterprise set up by South Africa and Iran will be officially signed very soon. Regarding these pure and normal trade contacts between South Africa and Iran, U.S. Ambassador to South Africa Princeton Nathan Lyman said: "Washington is not pleased at this cooperation." At the press briefing on 4 August, (Davis Johnson), assistant spokesman for the State Department, once again declared that the United States is deeply concerned about South Africa's approval to store oil for Iran and urged "South Africa to reconsider its cooperation with Iran." Apparently, the United States wanted to take the matter of oil storage as an excuse to press the South African Government to follow U.S. policies. In other words, since the United States has declared its economic sanctions against Iran in June this year, South Africa must follow suit. Otherwise, it will be suspected of "supporting international terrorist activities."

Unexpectedly, various circles in South Africa unanimously said "No" to the United States and supported the government's stance on the matter. A South African diplomat dispatched to Washington said that the U.S. decision to impose sanctions against Iran "is effective

only to U.S. citizens and companies, but has nothing to do with other countries." In a commentary entitled "Straighten the Back," a major South African paper said that South Africa has the right to pursue independent trade policies and that other countries should respect this attitude. South African media also countered Washington with a question: Since not a single country in Europe has paid any attention to U.S. sanctions against Iran, why should South Africa be pressed to follow the toes of the United States?

South Africa started talks with Iran on cooperation in the matter as early as in the beginning of last year, which benefited both sides. The South African Government has decided to reduce by 50 percent its original strategic oil reserves, to 35 million barrels. Besides transferring 750 million rand in special funds originally earmarked for strategic oil reserves to economic construction, it can bring South Africa extra economic benefits of over 50 million rand. To South Africa, the pressing task at the moment is to implement an economic construction and development plan; this accords with the vital interests of the South African people. Proceeding from its own interests, the United States obstructed South Africa's normal trade and has naturally encountered opposition from South Africa. The United States is truly bringing contempt upon itself.

The United States met with a rebuff this time in South Africa. This example shows that the world is changing and the United States will get nowhere if it continues to take advantage of its position to bully others everywhere and make indiscreet remarks.

Central Eurasia

Heilongjiang Begins Freight Shipments to Russia

SK0609100295 Harbin HEILONGJIANG RIBAO
in Chinese 19 Aug 95 p 1

[FBIS Translated Text] The port of Huachuan County recently began shipping freight to Russia. Up until now, the city of Jiamusi possessed five state-level river ports—Jiamusi, Fujin, Tongjiang, Fuyuan, and Huachuan—that shipped to foreign countries.

Huachuan County is located in the middle between Jiamusi and Fujin County. Highways connect it with Shuangyashan in the south as well as with the state farms surrounding it. The freighter owned by the province, which undertook the first shipment and was fully loaded with 135 tonnes of paint bearing the "Jaingchuan Trade-Mark" turned out by the county paint factory, was bound directly for the port of Khabarovsk in Russia.

With the approval of the State Council, in September 1994 Huachuan Port became a harbor that can handle

economic relations with foreign countries and foreign trade.

Heilongjiang Leaders Visit Soviet Monument

SK0409122395 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 3 Sep 95

[FBIS Translated Text] Paying respect by respectfully laying wreaths in front of the Monument of Martyrs of the former Soviet Red Army, which is located in the center of Harbin, on the morning of 3 September were more than 200 persons — including cadres and the masses from the provincial party committee, the provincial people's government, the provincial military district, the Harbin city party committee, and the Harbin city people's government, as well as some officers and soldiers from certain combined units of the People's Liberation Army and the armed police force, which are stationed in Harbin. They cherished the memory of Soviet Red-Army martyrs who heroically sacrificed their lives for the independence, freedom, and liberation of the Chinese people.

Changchun-Vladivostok Air Route Opens

OW0709150495 Beijing XINHUA in English 1438 GMT 7 Sep 95

[FBIS Transcribed Text] Changchun, September 7 (XINHUA) — This capital of northeast China's Jilin Province opened an air route to Russia's far east coastal city of Vladivostok Wednesday [6 September].

The flight from Changchun to Vladivostok takes 90 minutes.

Economists here said that the air route will help to promote economic and trade exchanges between China and Russia.

It is learned that since the airport of the city began international service a few years ago, several international air routes has opened, such as routes from the city to Seoul of the Republic of Korea, to Hong Kong and to Irkutsk of Russia.

Southeast Asia & Pacific

'Oriental Danube' Links Yunnan, Southeast Asia

OW0709121295 Beijing XINHUA in English 1112 GMT 7 Sep 95

[FBIS Transcribed Text] Kunming, September 7 (XINHUA) — The 4,880-kilometer Lancang-Mekong River, dubbed the "Oriental Danube", that flows through Southwest China, Laos, Myanmar [Burma], and Thailand, is enjoying an international water transport boom.

Yunnan, in Southwest China, traded 10,655 tons of goods with Laos, Myanmar, and Thailand on the river, and handled 5,083 travellers, in the first half of 1995.

In May 1990, Yunnan and Laos jointly conducted a successful trial run from Jinghong, Yunnan to Luang Prabang in Laos on the river, which it was found, could ship goods, in October that year.

Between February and May, 1993, China, Laos, Myanmar, and Thailand made a technological study on the river during the dry season, and found that a 60 dwt [deadweight ton] vessel could use the river even at its lowest water level, and that it was navigable for a 300-dwt vessel if it were dredged and maintained.

Shipping on the river grew after that, and in 1994, China signed a bilateral agreement on water transportation with Laos, increasing the amount of imports and exports in Yunnan to well over 20,000 tons.

China also expects to sign similar agreements with Myanmar and Thailand later this year, and in a move to improve and expand trade along the river, China, Laos, Myanmar, and Thailand have met several times to discuss navigation along Lancang-Mekong River.

Qiao Shi Meets Philippine Official

OW0709114595 Beijing XINHUA in English 0829 GMT 7 Sep 95

[FBIS Transcribed Text] Beijing, September 7 (XINHUA) — China's top legislator Qiao Shi met here today with Leticia Ramos-Shahani, President Pro Tempore of the Philippine Senate, who is here attending the on-going Fourth World Conference on Women (FWCW).

Qiao, Chairman of the Standing Committee of the National People's Congress, extended welcome to Ramos-Shahani for heading a Philippine government delegation to the FWCW.

Speaking of the bilateral relations, Qiao said that since China established diplomatic relations with the Philippines 20 years ago, the two countries have made great progress in the friendly relations of cooperation between the two countries in various fields.

"We are delighted that exchanges between the parliaments of the two countries have increased day by day," he said.

He said that China devotes itself to safeguarding Sino-Philippine friendship and peace and stability in the region.

He said, "We hope that China and the Philippines will remain good friends and neighbors forever, and that our

bilateral relations would not be harmed just because of the existence of some differences."

Both China and the Philippines are developing countries and are facing the common task of developing their economies and improving the life of their people.

There do not exist any conflicts involving the fundamental interests between the two countries, he said, adding that the two countries enjoy bright prospects for cooperation.

Not long ago, foreign ministries of the two countries held serious consultations on the question of the Nansha [Spratly] Islands and reached a common understanding, he said.

Qiao Shi expressed the belief that China and the Philippines do not have any problems that cannot be solved through consultations and discussions so long as "we adopt a sincere, realistic, friendly and constructive attitude."

Ramos-Shahani expressed her appreciation for the effective organizational work done by the Chinese government for the FWCW. Meetings, either governmental or non-governmental, are all proceeding smoothly, she said.

She expressed the belief that the FWCW will certainly be turned a complete success.

She said that the Philippines and China are friendly close neighbors and that there exists profound traditional friendship between the peoples of the two countries.

In recent years, bilateral relations have developed very well, she added.

She expressed the belief that despite some problems, the two countries will eventually be able to solve them in the spirit of friendship and sincerity.

She expressed the hope that the parliaments of the two countries will further increase their exchanges, enhance understanding and cooperation so as to push forward the relations between the Philippines and China.

Jiang Meets Vietnam's Nguyen Thi Binh

*BK0709075395 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 5 Sep 95*

[FBIS Translated Text] In Beijing on the afternoon of 5 September Chinese President Jiang Zemin received Vice President Nguyen Thi Binh, special guest of the Chinese Government to the fourth world women's conference in Beijing. President Jiang Zemin valued greatly the Vietnamese state's decision to send a high-level delegation to attend the world women's conference. He regarded the move as Vietnam showing its support for and positive contributions to the conference.

Vice President Nguyen Thi Binh said she was pleased to note the great achievements that the Chinese people have recorded in the framework of national construction and the increasingly fine development of relations between the two parties and peoples. She pledged the Vietnamese delegation's determination to do all it can to make the conference a success.

Political & Social**Jiang Zemin Watches Anti-Japanese War Drama***OW0809004695 Beijing XINHUA in English
1807 GMT 7 Sep 95*

[FBIS Transcribed Text] Beijing, September 7 (XINHUA) — President and General Secretary of the Chinese Communist Party (CPC) Central Committee Jiang Zemin this evening watched a modern drama depicting the heroic struggle of the Chinese people against the invaders during the War of Resistance Against Japan (1937-1945).

Together with Jiang, who is also Chairman of the Central Military Commission, were Liu Huaqing, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice-chairman of the Central Military Commission, and Zhang Zhen, vice-chairman of the Central Military Commission.

The drama, titled "The Most Dangerous Time", through depicting some major campaigns and events during the 8-year war, gives a full description of the heroic achievements made by the Chinese people under the leadership of the CPC in their struggle against Japanese invaders. It shows that the CPC and the armed forces and the people led by the CPC were the mainstay in China's war of resistance against Japan.

The play also gives a vivid depiction of Mao Zedong, Zhou Enlai, Liu Shaoqi and Zhu De and other Chinese leaders of the older generation and deep feelings between the party and the people.

The drama show is one of the major activities by the General Political Department of the Chinese People's Liberation Army (PLA) to mark the 50th anniversary of the victory of the anti-Japanese war and the anti-fascist War.

Also present on the occasion were veterans who took part in the anti-Japanese war and more than 1000 officers and soldiers from the PLA and armed police as well as officials from government departments.

After the performance, Jiang Zemin, Liu Huaqing, Zhang Zhen and other leaders amounted [as received] onto the stage to congratulate the artists on their successful performance. The drama was staged by the Modern Drama Troupe of the General Political Department of the Chinese People Liberation Army.

Private Enterprise Bosses Denied CPC Membership*OW0709165695 Beijing ZHONGGUO XINWEN SHE
in English 1301 GMT 6 Sep 95*

[FBIS Transcribed Text] Beijing, September 6 (CNS) — Privately-run enterprise bosses in China will be denied

membership of the Communist Party of China. This was recently disclosed in the Organization and Personnel News by deputy head of the Organization Department under the Central Committee of the Communist Party of China, Yu Yunyao.

Yu said that it was the decision of the Central Committee of the CPC that privately-run enterprise bosses could not join the Communist Party of China. Some local authorities, in violation of the Central Committee's decision and Party discipline had erred by admitting a number of privately-run enterprise bosses to membership of the CPC. Articles, which had been published in certain journals, discussing the pros and cons of such membership were irresponsible.

Article Profiles Fuzhou Smuggling Ring Leaders95CM0372A Hong Kong CHIU-SHIH NIEN-TAI [THE
NINETIES] in Chinese 1 Jul 95 No 306, pp 34-40*

[Article by Xin Jing Yi Er San (2450 0064 0001 0059 0005): "Smuggling Fuzhou People to United States"]

[FBIS Translated Text] I joined the documentary group of Japan's NHK in Hong Kong and New York between March and May this year as it gathered material for a documentary featuring recent Chinese immigrants to the United States, including the activities of Chinese students who have decided to stay in the country and those of Chinese-funded organizations in New York.

What impressed me most was the Fuzhou immigrants, legal and illegal. The wave of illegal immigration into the United States which began in 1986 peaked in 1989 in the wake of the June 4 incident, with the issue by the U.S. government of "June 4 green cards." Although people who make their way to the United States in recent years have a hard time obtaining the right of residency, they would be alright as long as they reach U.S. soil. Unlike other countries (such as Hong Kong and Japan), the U.S. government basically does not go after illegal aliens.

The upshot is that in a few short years, the Chinatown in Manhattan has become Fuzhou town. Official estimates put the number of illegal aliens at more than 100,000. According to local sources, however, the actual number cannot be smaller than several hundreds of thousands. With the U.S. economy currently in a slump, the lot of undocumented aliens these days is every bit as bad as that of indentured workers of the 19th century.

Even more shocking is the fact that many illegal aliens actually entered the United States via Hong Kong carrying with them valid Chinese passports. From my several conversations with the leaders of smuggling

rings in Hong Kong, I learned that behind the global smuggling network are many a corrupt official.

I would like to express my thanks here to NHK and Mr. Chi Guxun [3069 6253 5651] a director, for giving me the opportunity to investigate a story unknown to most people and allowing me to tell my experiences in the Chinese language. However, some of the opinions expressed in this report are entirely my own and depart from those in the documentary. After returning to Hong Kong, I headed for Fuzhou to do follow-up research to round out the story. The names of some of the people and places in the report are indicated only by a letter as I promised to do during the interviews conducted in the course of researching this story. The contents, on the other hand, are totally factual.

Chapter 1: Hong Kong: Smuggling Base

His name is P, an immigrant who came to Hong Kong from K Township in Lianjiang County in Fuzhou in the early 1980's. He is tall and lean, casually but neatly dressed and carrying a pager and a cellular phone, the very picture of a small businessman.

I met him for the first time in a hotel room somewhere in eastern Hong Kong in an afternoon early last March. He admitted right away nonchalantly that he is the head of a smuggling ring.

Lianjiang County in Fuzhou is home to many overseas Chinese in Hong Kong, Southeast Asia, and the United States. Since reform got under way and the open policy was introduced, wave upon wave of overseas Chinese from the United States have visited their old hometown, their generous gifts stunning the mainland compatriots. P was born and grew up during the Cultural Revolution era and moved to Hong Kong with his father as a young teenager. Every time he went back to his hometown for a visit, he ran into "snake heads" or smugglers. It was only natural that he too became a foot soldier for the leader of a smuggling ring.

P became the head of a smuggling ring in his own right in 1990 and has so far smuggled more than 300 aliens to the United States via Hong Kong. All his clients hail from his hometown, including many relatives. Their destination: Chinatown, Manhattan.

There have been numerous reports in both the overseas and the Chinese press on Fuzhou people being arrested as they tried to sneak into the United States by boat. In fact, the number of people who successfully make their way into the country is many times the figure reported in newspaper accounts. Hong Kong has become a major smuggling base.

I met P more than 20 times and gained a thorough understanding of his entire operation from beginning to end. Let's hear what he has to say.

"Sending a person to the United States is a big job. It can be divided into several stages. The first stage is recruiting clients in Fuzhou and includes taking a deposit of \$2,000 per person. The total smuggling fee is \$35,000, to be paid in full minus the deposit only after the client has arrived in the United States. A few years earlier, smuggling fees were typically paid by relatives already settled in the United States. Nowadays, as the number of illegal immigrants has increased, a substantial amount of funds has accumulated in the countryside in Fuzhou, and it is now increasingly commonplace for family members in Fuzhou to cough up the money. Those who really cannot come up with the money can turn to usurers for help. In any case, a client must line up the funds first before leaving Fuzhou."

"The second stage is to secure a passport for the client." As we all know, it is extremely difficult to get hold of a passport in China. Fortunately, what we do have these days is corrupt officials who will do anything for a buck. P buys Guangxi passports for his clients at \$2,000 apiece. Customs officials around the world know that Fuzhou people are being smuggled overseas in large numbers, so Chinese people holding Fujian passports attract extra attention. It is much safer to carry a Guangxi passport.

"The third stage is to move the client to Shenzhen." He waits at a guest-house near the Shenzhen railway station. Reportedly, the "Luohu" guest house run by border guards is a place frequented by smugglers and other types of smuggling criminals. The cooperation of the border guards thus ensured, the illegal immigrants are safer there than anywhere else.

By then the Guangxi passport in the hands of a client has already been stamped with tourist visas from such third nations as Thailand, Malaysia, and the Philippines. "It costs \$800 to get a Thailand visa for a Chinese passport holder," according to P. Corrupt officials sell Guangxi passports. Likewise, corrupt officials who know the inside story sell visas in return for money.

On a designated day each week, P goes to Shenzhen to pick up his clients, armed with plane tickets for flights originating in Hong Kong. On this day, guards on duty at the border are his friends who let the illegal immigrants leave legally by crossing Shenzhen River without making trouble. Hong Kong immigration officials in Luohu give them a one-week transit visa.

Hong Kong has become a smuggling base because mainlanders armed with legitimate Chinese passports,

third-nation visas, and airplane tickets are allowed to stay seven days under the law. Besides, you can fly to any nation, including the United States, from Kaitak Airport.

P smuggles his clients into the United States, but their 7-day sojourn in Hong Kong is legal.

While in Hong Kong, they usually stay at small hotels run by Fuzhou people, paying HK\$130-140 per room (per bed) per night, including breakfast. The hotel owners know full well why these people are in Hong Kong but do not give them trouble since they are all fellow villagers or townsmen, according to P. These hotels can be found along Jordan Road and in Hung Hom in Kowloon and in Causeway Bay on Hong Kong Island. Their signboards alone suggest that they are run by Fuzhou people, although their guests include aged veterans from Taiwan on their way to the mainland to visit relatives.

I have been to two such hotels. They are divided into several small rooms, each with three to five beds. While no match for five-star hotels, they seem clean and comfortable enough. Reportedly each bunk bed slept two full-sized men back in early March when the smuggling business was booming. That probably was too crowded. I walked into one room and saw four men playing poker and drinking beer.

"Why did you come to Hong Kong?" I asked.

"We're in transit for seven days," one yelled in response.

"Where are you going from here?"

"Don't know. Who are you?" All spoke Putonghua with a Fuzhou accent.

There was no tension in the air. For one thing, their stop-over in Hong Kong is legal. For another, they all have several friends and relatives who had made their way to America successfully. "There is no point worrying. Just let things take their natural course," so said a girl, probably 18 or 19 years of age.

Sometimes, P said, he cannot finish in time all the preparations necessary for a trip. There have been cases in which a client had to stay in Hong Kong after his visa had expired. Under such circumstances, P would produce a doctor's certificate and apply to the Immigration Department for a visa extension on medical grounds.

An illegal alien whose visa has expired loses his freedom and has to remain indoors all day. If he ventures out and gets caught, he will certainly be returned to China. Some smugglers prohibit clients from going out or telephoning relatives in Hong Kong from the start for

fear that their smuggling plans and overstaying would leak outside.

There are several ways in which an illegal immigrant can enter the United States from Hong Kong.

The safest way is to enter the country with a formal visa. Recently reports from Canada say that 75 people from the 87-member "Yunnan Economic Study Group" had disappeared soon after it arrived in Toronto in mid-April. This piece of news has stunned the smuggling community in Hong Kong. Smugglers instantly realized that the so-called "Yunnan economic study group" actually consisted of Fuzhou people whose real goal was to be smuggled into the United States and who obtained Yunnan passports for that very reason. A Canadian company had invited these people to visit Canada and applied for visas on their behalf from the Canadian High Commission in Hong Kong. In the end, 75 people made their way to the United States. "How smart! Making \$750,000 in one fell swoop," P sighed with feeling.

As far as the head of a smuggling ring is concerned, Canada is part of the United States; entering the latter from Canada is a breeze. For instance, a bunch of people flew to Canada from Hong Kong on 5 May. After disembarking in Vancouver, they were driven 30 hours and arrived at New York's Chinatown on 8 May.

Another way to enter the United States is to pay for a valid visa. The going rate for a U.S. or Canadian visa, \$20,000; a Japanese or British passport, \$10,000. The smugglers have bought off staffers in foreign consulates. There are always Fuzhou people working as interpreters in the consulates and acting in collusion with money-hungry consuls.

In other words, the first method involves fraud; the second, bribery. However, passports and visas in the hands of the smugglers and their clients are "legitimate."

When neither method works, P has no choice but to take a risk.

A risky but common practice is "plane switching." Holding a third-nation visa, a Fuzhou client first goes through all the boarding formalities and clears customs. Once inside the boarding area, he switches boarding passes with another person and boards a U.S. plane with a doctored passport (doctored because it now has a different photograph).

When processing passengers for boarding, U.S. carriers at Kaitak Airport stick a small slip of paper with a date and a number on the back of the passport in an attempt to thwart plane switching. Passports are reinspected when the passenger boards the plane and at all other points in between including Tokyo in order

to identify illegal entrants holding doctored passports, "all in response to pressure from the U.S. government," in P's words. "Those who switch planes unsuccessfully would be sent to jail in Hong Kong."

One day P showed us several Chinese passports, all legitimate passports issued by the Province of Guangxi and all replete with several nations' entry and departure stamps. "The more nations you have been to, the more creditable your passport." "Take a look at this girl's passport. There is a Thailand entry stamp, but no departure stamp; she switched planes at Bangkok." A relative of P's, she made it to New York successfully in September 1994. He collected her "used" passport for use by the next batch of clients.

I have met a young fellow from Fuzhou. His transit stay in Hong Kong marked the first time he ventured out of his village, but if you look at his passport, you would think he has been to a dozen nations. It is clear that some of the so-called genuine passports issued by Guangxi have actually been recycled.

P said that passport doctoring is done in the Philippines using highly sophisticated technology and can be completed in just one day, whether the passport is a U.S., Japanese, or Taiwan passport. It can outwit the latest technology, including computer technology.

Smugglers are always on the lookout everywhere for passports for use by their clients. P is highly interested in my Japanese passport. "\$8,000, want to deal? Japanese passports are great; no visas are required for travel to the United States. It would be nice if a client can do some sightseeing in Europe before heading for the United States." When conditions allow, P said, he would really arrange sightseeing tours for his clients. As we all know, tourists all over the world frequently have their passports stolen, presumably for use by potential illegal immigrants. So-called passport doctoring typically involves document theft and counterfeiting.

Factories in the Philippines also turn out phony U.S. passports. I have seen a visa issued by the U.S. embassy in Manila printed on a paper exactly the same as one of those pages in a Chinese passport. "The visa was sewn onto the passport," P said. Some smugglers have remarkably nimble fingers and often perform this kind of "surgery" airborne as they accompany their clients to their destination.

Some of P's clients fly directly from Hong Kong to the United States. Others make stopovers in countries in Southeast Asia, such as Thailand, Malaysia, the Philippines, and Cambodia, before flying to New York by way of Brazil, Panama, or Mexico.

Illegal immigrants stop over in Southeast Asia mainly to wait for the smuggler to finalize all arrangements. Thus the best places are those where one can stop over legally (to minimize risk) and cheaply (to cut costs). "Cambodia is tops. Someone holding a Chinese passport can stay there for 90 days and do so cheaply, only a few dollars a day," P said. Besides, nobody would dream that the U.S.-bound illegal alien from Fuzhou would be hiding in Phnompenh.

According to P, he grossed a whopping \$9 million when business was booming in the two years between 1992 and 1994. He said on another occasion that he earned \$2 million in his best year.

Like other businessmen, a smuggler would want you to believe that his business is big business. The numbers above are gross figures. Not every dime actually went into his pocket.

Fixed smuggling costs are \$35,000 per person, including room and board, irrespective of how long the whole process takes or how many nations the client has to go through before reaching the United States. As far as P is concerned, therefore, cost control is vitally important. At present, he earns \$10,000 in profit for every person smuggled into the United States. After paying his partners on the mainland and in the United States, he has about \$5,000 left in his pocket.

The cost of \$25,000 pays for passport, visa, plane ticket, and room and board. P also has to spend money on all sorts of "public relations" activities with immigration officials from the nations involved. The fact of the matter is that no matter how well dressed he is, the illegal immigrant from Fuzhou on his first trip overseas cannot fool the professional immigration official. P himself often said, "The documents I prepare are authentic, but the people are not real." "The clients' quality is so low that the use of genuine U.S. passports is not warranted." P needs to cultivate good relations with immigration officials at all ports so that his clients can enter the United States successfully.

I came across an illegal alien in New York. She had flown to the West coast from a nation in Southeast Asia holding a forged visa that entitled her to enter the United States to visit relatives. When asked by an immigration officer whether or not she had a husband in the United States, she said no, not knowing that it was stated in her visa in English that the purpose of her trip was to "visit her husband." She was then taken to a small room nearby and went through another round of questioning, this time by a Chinese interpreter. "The guy from Shanghai was nice; he let me go in no time," she told me. This is probably another instance where groundwork done by the smuggler paid off.

P can speak the Fuzhou and Guangdong dialects as well as Putonghua, but not English. For this reason, all Chinese working at customs anywhere instantly become the targets of his "public relations" offensive.

Be that as it may, he cannot buy off every single official in the world. Indeed, smugglers have been blackmailed by some officials from certain countries. In one instance, an entire eight-person group, all P's clients, was rounded up by the Ministry of National Security of a certain nation in Southeast Asia. The official contacted P through the clients and demanded a ransom of \$200,000. "Later they let my clients go. The incident cost me a bundle," P said.

A client pays the smuggling fee only after he arrives in America. Accordingly, the smuggler must come up with a vast sum of money up front. He also has to be responsible for his clients on the road. Usually the smuggler treats his clients very politely. P gives his pager number to his clients in Hong Kong and Shenzhen. He always makes himself available to a client who has a problem of which care needs to be taken. He often accompanies his clients on excursions to the peak and Ocean Park. At the same time, he gets endless calls from Fujian; the clients' family members are constantly calling him to find out the latest about the immigrants. "We are all fellow villagers. They all know me and put a lot of pressure on me. You see, I am under pressure from the United States, from the Hong Kong Immigration Department, from the clients, and from the clients' families."

The balance of power between the smuggled and the smuggler shifts as soon as the former arrives in the United States. "My friends await them at New York airport. They are taken to our place and then put in contact with their family members back home. He who pays up is allowed to go," P says. Money may change hands in either New York or Fuzhou. P says he has no direct ties to gangs like Fuqing; however, if someone escapes without paying him, P would then turn to the gangs for help. "This point is made clear to the client at the very beginning. Ideally I don't have to resort to the gangs. We are all fellow villagers after all."

It is not uncommon for illegal immigrants to be beaten half-dead on the streets of New York Chinatown, presumably in connection with the payment of smuggling fees in more than half of the cases.

P does not seem to think that what he is doing is a crime. "First of all, I never go out to look for clients. Invariably it is the client who comes to me for help. Right now I have about a dozen clients on the road, but several times that number are lining up in Fuzhou.

Second, I do not traffic in drugs or ammunition. My work hurts nobody. In fact, it helps people."

"I don't like the term 'snake head.' It is just that the work I do is invisible, invisible to everybody except ourselves, our clients, and immigration officials in the various countries. It is indeed a highly professional line of work where one's word carries a lot of weight. Never have I defrauded anybody. I pay for passports and visas and I hold myself responsible for my clients' safety."

When all is said and done, however, smuggling humans is illegal and must be kept in total secrecy. Real names are never used in the smuggling circles. Just about every time P makes a telephone call, he uses a different surname. At the same time, his secret is an open secret among fellow villagers and relatives. In Hong Kong he lives in a neighborhood with a heavy concentration of Fuzhou people. One day I was having lunch with him at a nearby restaurant. Several people came up to him to say hello. "I sent all their sons to the United States," P said.

He is accompanied by his wife and child when he does TV interviews, his identity concealed. All three are smartly turned out. Clearly the occasion is regarded as an honorable one. "It is probably awkward to talk about things of this nature in front of the child, isn't it?" I asked P. Surprisingly he said, "No problem. He is very mature." I later learned that P is not the only one in his family to be in the smuggling business, so naturally his child knows what the adults in the family are involved in and would not tell his classmates in a thoughtless moment.

Having met him more than 20 times, I realize he does not fit my original image of a smuggler. In many ways he is just a regular guy. He neither drinks nor smokes and his only passion is betting on horses. He goes out with his child every weekend. He reads DONGFANG RIBAO and TIENTIAN RIBAO regularly. He was very distressed at the passing away of Deng Lijun [6772 7787 0689], whom he admired for the fact that "she did not go to the mainland to perform for money." A family-oriented man, he carries a picture of his wife in his wallet. One day he told us how grand his grandfather's funeral was back in Fuzhou and even asked us to watch a videotape of the ceremony.

His work as a smuggler puts constraints on P's life in many ways. He cannot make friends casually, which means that he is closer to his family and fellow villagers more than the ordinary man. As a matter of fact, this is part of the reason he is willing to deal with us. P has never paid taxes. And without tax returns, he cannot apply for a U.S. or Canadian visa. He has sent close to

300 people to the United States but cannot see in person how the Fuzhou people are faring in New York.

The biggest distinction between P and ordinary people is in legal awareness. He does not equate "illegal conduct" with "criminal activities," particularly where immigration law is concerned. As soon as he learned I have a residency right in Canada, he tried to persuade me to marry a relative of his. "All you need to do is to have a picture taken with him and then apply for immigration on his behalf by producing a tax return. Want to deal, \$15,000? This is entirely legal. The person will disappear after arriving in Canada. You won't be held liable for him." Puzzled by my reluctance, he said with a sigh, "You are wasting your right of residency." Some couples in Hong Kong, he told me, file for divorce so that both husband and wife can then go to Fuzhou to marry a local. Then they come back with their "spouses" and are each paid HK\$80,000 for their trouble.

Among other things he has urged me to do: make sure his clients clear customs and board a plane safely at Kaitak Airport, accompany them on their flights to the United States or Canada, and help them fill out forms. Every time he said, "This is entirely legal."

Actually, a lack of legal consciousness is a trait shared by smugglers and the smuggled. After paying \$30,000, the client thinks he is entitled to enter the United States. To them, the smuggling ring is nothing more than a special tourist agency.

P said he is considering switching to a different line of work. In early 1995 the United States tightened its immigration policy, making the smuggling business more difficult. "In any case this is not a life-time job. Better quit after making some money."

Being an illegal immigrant has become routine among the people of Fuzhou, a point I did not realize at the beginning but probably known to many of the 300,000 Fuzhou people in Hong Kong. Only later when I went to New York did I truly realize the tragic results of being smuggled into the United States. In other words, while a smuggler may change jobs any time, the smuggled may have to spend his entire life a "human snake."

***Article Considers Party Role in Enterprises**

95CM0411 Beijing SIXIANG ZHENGZHI GONGZUO YANJIU [RESEARCH IN IDEOLOGICAL-POLITICAL WORK] in Chinese 8 Jul 95 No 7, pp 15-16

[Article by Feng Lixin (7458 4539 2450): "Uphold the 'Four Changes' and the 'Four Constants'"]

[FBIS Translated Text] How to use to the full the central political role of the party organization in state-owned sole proprietorship corporations and state-owned hold-

ing companies, and how to handle correctly the relationship between the party organization and stockholder meetings, boards of directors, boards of supervisors, and management teams in the course of building a distinctively Chinese socialist modern enterprise system is an important topic that we are currently studying and exploring.

The corporate system is a basic form in the modern enterprise system. "Corporate Law" contains explicit provisions regarding the functions and authority, the procedural methods, and the work procedures of stockholder meetings, boards of directors, boards of supervisors, and management teams. However, the relationship of enterprise party organizations to stockholder meetings, boards of directors, boards of supervisors, and management teams awaits further study and exploration. In a modern enterprise system, the key to correct handling of the relationship between the party organization and others lies in how to make use of the central political role of the party organization, the core of which is ensuring that channels are open for the participation of party organization in decisions on major enterprise problems, maintenance of the principle of party control over cadres, and making the most of the political strengths of socialist enterprises.

On the basis of the initial practice of some enterprises, the writer believes that correct handling of the issue requires upholding the "four changes," and "four constants" principles in the guiding thought.

The "four changes" are: The supreme authority of enterprises is shareholders meetings; the major policies of enterprises are made by the board of directors; general managers are responsible to the board of directors and stockholder meetings; and the board of supervisors is the supervisory organization in enterprises responsible for carrying out supervisory functions within enterprises according to law.

The "four constants" are: The socialist orientation of enterprises, and the character of socialist enterprises, of which ownership by the whole people is the main form, is constant; the central political role of the party organization in enterprises is constant; the position of the working class as masters is constant, and the basic policy of wholehearted reliance on the working class in operating enterprises is constant; and adherence to the principle of doing multiple things at the same time, and working with might and main is constant.

The leadership system must both be consistent with the scale and form of the modern enterprise system, and it must make the most of the political strengths of socialist enterprises, express China's distinctive character, and practice overlapping and holding of concurrent positions

by principal leaders in the party and government. This enables principal CPC committee members to be legally members of the board of directors, board of supervisors, and management teams. Under most circumstances, the position of chairman of the board should best be filled by the secretary of the CPC committee, and either the chairman of the labor union or the secretary of the discipline committee should be chairman of the supervisory board. In addition, the number of party member administrative leaders such as directors, supervisors, and managers in the CPC committee should be increased, and the general manager should be a party member holding a concurrent position as deputy secretary of the CPC committee.

The organizational system should permit enterprises to suit general methods to specific circumstances, each enterprise setting up its own system as its own circumstances warrant. The party affairs work organization may be set up separately, or it may be combined with an administrative agency on the principle of similar functions to perform combined functions. A combined functions agency has a single team working under two different signboards. It sets up a twin system responsible for dual functions, and it is under the twin leadership of both the CPC committee and the government. This both helps combine party and government work and helps the continuity and development of the government work corps. It also helps make party organization work more scientific and regularized, and makes use of the party organization's central political role.

In staffing, the principle of a small number of highly trained and effective personnel is maintained, and a functional interrelationship between the party and government, between party groups, and between higher and lower levels is advanced. In other words, multiple capabilities reside in a single function, and multiple positions perform a single function, thereby further promoting a combination of party and government work, and improving relations.

In the building of systems, the principle of acting according to the law and regulations must be maintained. More must be done to build the legal system, and the work functions and work procedures of party organizations, and the interrelationship between party organizations and various organizations must be clarified further in laws and regulations, thereby bringing party work gradually within the purview of the legal system. When handling the day-to-day working relationship between party organizations and stockholder meetings, boards of directors, boards of supervisors, and management teams, the following work system must be built and amplified: a system whereby the board of directors makes a report to the CPC committee and congress of workers and

staff, and solicits views before convening a shareholders meeting; a system whereby the state-owned assets representative reports on work to the party organization and hears the views of the party organization on work before convening the board of directors; a system whereby leading members of the CPC committee participate in manager business meetings; a central team study system in which principal party and government leaders take part; and a dual system of party member leading cadre democratic meetings and a party style and clean government responsibility system. In addition, party organizations in enterprises must further explore in actual practice working relations among the shareholder meeting, the board of directors, the board of supervisors, and management teams, taking responsibility for coordination among the various organizations within the enterprise.

The shareholders meeting is the supreme authoritative institution in an enterprise. It has decision-making authority for the enterprise's basic policy. The shareholders meeting is comprised of shareholders. Shareholders are investors in the enterprise and hold equity rights. In a modern state-owned enterprise system, most of the assets belong to the state. This being the case, the interests of the state are basically identical with the private rights of shareholders. Since the number of shareholders may be very large, and come from all walks of life, the enterprise party organization is unable to have much direct contact with them. Therefore, the ways in which the party organization conducts work in shareholder meetings are primarily three: One is to hear reports from the chairman of the board and offer opinions before the shareholders meeting is convened. The second is to do a good job with representatives of state-owned assets shareholders, the party organization playing a role at shareholders meetings through them, particularly through the party members among them. Third is leading members of the party organization should attend shareholder meetings as representatives of state-owned assets, expressing their views directly at shareholders meetings, and upholding the legal rights and interests of the state, the enterprise, and individuals (including shareholding citizens and staff members and workers).

The board of directors is the legal representative of an enterprise. It is responsible to the shareholders meeting, enforces resolutions of the shareholders meeting, and has authority to make resolutions about an enterprises' operating plans, investment plans, annual budget plans, profit-distribution plans, internal organizational set-up, basic administrative system, and the hiring of managers. An enterprise party organization may not lead the boards of directors directly in the performance of specific tasks, but rather it must work through principal

leading members of the CPC committee who are legally members of the board of directors and who represent the party in participating directly in resolutions on major issues. Before each board of directors meeting is convened, the enterprise party organization must hold a meeting to discuss the issues that the board of directors will decide and to make suggestions and recommendations. Board of director resolutions shall be made according to the voting procedures that the enterprise's charter prescribes.

The board of supervisors is the supervisory organization in enterprises. It supervises enterprise maintenance of a correct orientation, operation according to law, and performance according to regulations. A leader and the led relationship does not exist between the party organization and the enterprise organization. The party organization must actively support the work of the board of supervisors, and it may employ legal procedures to enable personnel from the CPC committee and discipline committee to sit on the board of supervisors. It may also work through party members on the board of supervisors. When necessary, the party organization may make suggestions and recommendations directly to the board of supervisors. Should conflicts arise between the board of supervisors and the board of directors or management teams, the party organization shall mediate, and support correct views to enable satisfactory solution of the problems.

Management teams are composed of high-level enterprise managers. They are responsible to the board of directors for organizing the management of enterprise production and administration, and they organize and carry out resolutions of the board of directors. Relations between the enterprise party organization and management teams are close and mutually supporting. A party organization must both support management teams discharge of functions according to law, and they must also ensure and supervise implementation of party and state plans and policies. Managers are party members. The party organization must require them to file regular work reports with the party organization. All major issues that the management committee is to discuss and decide shall be presented in advance to the party organization for its views, or a joint party and government meeting shall be convened to discuss them and make a decision. Party organization responsible personnel shall participate in management committees, and they may also invite management team members to attend party committee meetings. The party organizations must be constantly aware of the enterprise's production and operations, and it must make suggestions and recommendation to management teams at once. It must play the combat fortress role of a grass-roots organization, and

the vanguard model role of party members in production and operations. The party organization must lead enterprises in building spiritual civilization, in improving ideological and political work, and in coordinating relations among all within the enterprises. They must muster all positive elements, support the manager in the exercise of central direction, and ensure completion of all production and operating tasks.

***Article Cites Problems in Rural Organizations**

95CM0343A Beijing ZHENLI DE ZHUIQIU
[PURSUIT OF TRUTH] in Chinese 11 Jun 95
No 6, pp 15-18

[Article by Ceng Zhi (2582 1807) "Pondering Problems in Building Rural Basic-Level Organizations"]

[FBIS Translated Text] After reading the "CPC Central Committee [CC] Notice on Strengthening Building of Rural Basic-Level Organizations," I was filled with joy. This "Notice" clearly points out that party organizations must be the core in the vigorous strengthening of rural basic-level organizations, clearly points out that the key to this building is the "village," and proposes that, in leading the masses of peasants to achieve the common wealth and the common progress, the "core leadership" role of party organizations must be fully played. I think these issues are extremely important in our party's rural work. For a fairly long period of time, certain rural basic-level party organizations of ours have been fairly weak and slack, and even so paralyzed that they did not play their role. The reason for this is that the core leadership role of rural party organizations is not clearly understood and in this aspect there has not been a strengthening of ideological and organizational building.

The "Notice" stresses the policy of "ensuring that public ownership be the main part and that the component parts of the diversified economy be jointly developed." Among certain basic-level cadres in the rural areas the understanding of this issue is also fairly vague. They do not clearly comprehend that making public ownership the main part is of important significance in safeguarding the socialist system and achieving the goal of common wealth. Therefore, they do not take the collective economy seriously. It should be said that this is a directional problem for the building of socialism, and it requires conscientious handling.

For two years I visited villages in several counties of Jiangsu, Shanghai, and Guangdong, and had informal discussions with the comrades of some basic-level party organizations. All this gave me a deep impression of the development of the rural economy and of the change in the appearance of villages, and I received a thorough education. However, at the same time I also felt that

there were some problems that required penetrating study and solutions. After reading this CC "Notice," I wrote down some things that I learned from studying the "Notice" for exploration with my comrades.

1. Problem of "village" collective economy. What I saw and heard at certain basic levels in Jiangsu, Shanghai, and Guangdong proves that when any basic-level party branch and party committee take the collective economy and enterprises seriously, when a party branch secretary and party committee secretary dare to engage in and are good at engaging in the collective economy, and when a village or town leading group unites and struggles—there the economy of the village or town will be handled well and there the village or town will take on a new look. At these places there is a forest of new villages, the roads are in good order, factories rise abruptly, enterprises are in large numbers, there is a forest of fruit trees, beasts and birds thrive, culture and education flourish, and people are industrious and cheerful. However, there are also some villages and towns that do not take seriously the development of the collective economy, or the members of the collective economy are extremely few in number and there is no profit accumulation. In these places there is no financial power to carry out village government administration construction and to run collective welfare undertakings. There is no financial power to build roads, bridges, and water conservancy facilities or to allow industry to supplement agriculture and to help poor peasant households to develop production. Even less is there financial power to build spiritual civilization and to provide general sanitation, child care, etc. It is very difficult to even fully integrate them with the two-level operations and services system. Because there is no accumulation from the collective economy, some urgently needed expenditures—such as for natural disaster resistance, drought resistance, flood resistance, afforestation, planned parenthood, enlistment in the armed forces, etc.—have to repeatedly show their need to the masses of people in the villages and towns, and sometimes payment must be roughly demanded, causing all sorts of contradictions between the masses on the one hand and the party organizations and cadres at the basic level on the other hand, thereby adversely affecting the trust of the masses of people in the party and the government. I once went to a village, where the village party branch secretary was 62 years old and an old land reform team head. Honest and kind, he had led an arduous life and the masses deeply respected him. But he was not good at running the village's economy, and he was especially inept at running the collective economy. More than 10 years ago, when the large-scale assignment responsibility system was being practiced, this village's land was divided among individual families and

households, and the village management committee only retained 30 mu of land, which it contracted out to the villagers for fish raising, the villagers every year paying 2,000 yuan to the committee. There was a stir-fried peanut shop that had low returns and little income, and there was also a grocery of less than 10 square meters that had even lower returns. It was said that a plant for building stones run by the villagers closed down because it was losing money. Thus there was no money for this village's public utilities and public welfare facilities; the streets in the villages were muddy, general sanitation was extremely poor, rubbish was scattered everywhere, and the village was overgrown with weeds. In the village there was a wide gap between rich and poor. The small number of wealthy people built Western-style houses of more than three stories, while the great majority of poor peasants, as of old, lived in small earthen-walled houses. The village had extremely abundant stone resources; and some individual and privately operated households depended on extracting and processing stone to become "several ten thousand-yuan households," "several hundred thousand-yuan households," and "several million-yuan households." In Guangdong this kind of village or town in which the individual is rich and the collective poor, and in which the privately operated economy is developing by leaps and bounds while the collective economy is weak, is not just an isolated instance. The family contract responsibility system in which remuneration is linked to output and to the two-level operations and services system ought to be upheld for a long period of time. The vigorous development of the industrial and agricultural collective economy and the expansion of the collective economy's accumulation have an extremely important relationship with the building up of villages and towns, the aid to poor households, industry's supplementing of agriculture, the cohesion and appeal of the village committee and party branch, and the lightening of the burden on the peasant masses.

In my visits I encountered some situations where some places sorted out the so-called "red hot" bogus collective economy by actually switching the collective to a private operation. There was a collective shoe factory in which the village committee had invested a loan of 100,000 yuan. The committee appointed a man to be their legal representative and the factory's director. In 1987 he began to run the factory, and at present the factory's output value is more than 10 million yuan and its annual profit exceeds 1 million yuan. When "Red" enterprises were being sorted out, the corporate factory director of this collective thought that as he had singlehandedly set up this factory, and the village committee's 100,000-yuan loan was paid off long ago that this factory should be put under his ownership. In reality, the factory was set up by the village committee,

the 100,000-yuan loan was guaranteed by the village committee, the government provided the land wholesale and, in line with state policy, gave preferential treatment in the form of tax exemption, water, and electricity. The factory director as an individual did not invest in the factory. That the factory increased in value from 100,000 yuan at the beginning to more than 1 million yuan now only proves that the increase was the result of the factory director's good leadership of operations and of the vigorous effort by all the factory's staff and workers. Therefore, the factory director's proposal that the factory be put under his private ownership is completely unreasonable and is an attempt to seize by force what belongs to others. If this shoe factory can be transferred to his private ownership, I'm afraid that almost all the village and town collective enterprises can be put under private ownership. Therefore, the bogus enterprises in villages and towns must be sorted out, but attention must be paid to the point that one cannot, on the pretext of sorting out bogus enterprises, change public ownership into private ownership. **2. Problem of making public ownership the most important part.** With the socialist public ownership with Chinese characteristics being the main part, and the individual, privately operated, and foreign-owned economy being the supplemental parts, the components of the diversified economy have jointly developed for a long period of time. However, in recent years very few of the speeches of responsible persons of some localities and of some press articles have raised the issue of public ownership being the most important part. On the contrary, they onesidedly stress the vigorous development of the individual and the privately operated economy and of the three kinds of enterprises that are either wholly or partially foreign-owned, while in the name of developing the socialist market economy, advocate private ownership. Comrade Jiang Zemin has pointed out: "The socialist market economy system is integrated with the basic socialist system." If public ownership were not the main part of the market economy, exploitation could not be wiped out, polarization could not be eliminated, and there could not be a struggle to achieve the common wealth. Then, what kind of socialism would this be?

Some localities and some individual and privately operated enterprises conduct joint operations, and, except for the tax revenue that is handed over, their profits and earnings are put under joint operations ownership. In these enterprises there are at least several dozen workers and at the most more than a thousand workers. With regard to this kind of enterprise, some local governments have set up a "joint ownership" cooperative organization form that is interposed between the privately owned enterprise and the collective enterprise. This form is now

being vigorously promoted in the rural areas, and it is developing rapidly. Its fixed nature is that of a socialist worker collective economy and its fixed position is that of an important component part of a given region's national economy; it is the main part of township and neighborhood enterprises. It is worth studying whether this fixed form, fixed nature, and fixed position is correct. However, there are very few of these local public ownership collective enterprises and collective economy component parts. Then, how will the ownership that is the main part play its guiding role?

On my visits I saw and heard that a good many localities had launched a movement to auction off state-owned property by auctioning off state-owned enterprises and collective enterprises. In some enterprises the factory buildings were dilapidated, the equipment was obsolete, and there was not enough capital to pay off debts; therefore, making over and auctioning off were allowed. Some enterprises had lost money year after year and it was estimated that it would take several years to reinvigorate them; also, they were located in a city's "golden sector," where they adversely affected the city's general sanitation, and therefore making over and auctioning them off was also allowable. The problem now is that advocating that "beautiful women get married first" means auctioning off state-owned enterprises that have high economic returns and that are making money. The reason is that buyers do not want a money-losing enterprise and the selling price of a money-making enterprise is very high; if they have the money they can move and run new factories. Another argument is that the money obtained after auctioning off is also in the public ownership economy and can be calculated as being in a public ownership undertaking. Actually, money is only capital; it is not a fixed amount and is not a direct productive force. There is not a big problem in selling publicly-owned enterprises to publicly-owned enterprises; if, however, they are sold to privately-owned enterprises then in reality this means taking the initiative to develop some more privately-owned enterprises. Is this way of doing things really advantageous for the development of the socialist economy, or is it advantageous for development of the capitalist economy?

3. Problem of the economy of township-village stock system enterprises. At present some village-town collective enterprises are actively being changed to stock system enterprises. If the stock system form is handled well, it will display its superiority and cause a collective enterprise to go up to a new level. But the circumstances of the stock system are varied, and the circumstances of a collective are also different. Therefore, one must be careful when changing a collective enterprise to a

stock system enterprise, weighing the advantages and disadvantages and not rushing headlong into reckless action. Now the assets of some collective enterprises are evaluated very low, and after the evaluation the enterprises adopt all sorts of forms to set aside a certain amount of stock, taking out 30 to 40 percent of the total amount of stock to be the preferred stock of staff and workers. Based on the wages, grades, and skills of the staff and workers, the stocks are distributed to all the factory's staff and workers as their individual preferred stock. I think that they are actually workers of half-agricultural village-town collective enterprises, and they work according to schedule and get their wages according to standards. After work, at home they engage in household sideline occupations or individual economies. I think that there is no necessity for this kind of enterprise to disperse the collective's assets among individual staff and workers, and also whether more or less preferred stock held by staff and workers could cause misgivings and disunity among the staff and workers, thereby adversely affecting the enthusiasm of the staff and workers. Of course, in order to draw in more funds and to run a factory's economy with more vigor, a collective enterprise will switch to the stock system, and enlist all staff and workers of the factory as well as personnel outside the factory to take part in the stock system, thereby increasing the income from the factory's funds—this is a comparatively positive method. However, given the principle that participation in the stock market cannot become the main part of the public ownership system, investment in stocks by private, independent individuals outside the factory cannot exceed the sum total of the stocks of the collective, which certainly must hold the controlling stock rights, and the factory leadership rights cannot be controlled by stock-holding private entrepreneurs, which would cause an enterprise with public ownership as the main part to evolve into a stock enterprise in which private ownership is the main part is impermissible. Yet there are many situations like this.

4. Problem of village-town basic-level party organizations. A serious problem now in rural basic-level organizations is that there are few young party members and many old party members, and the party members' educational quality, economic consciousness, and policy level are fairly poor. The party members' role in villages and towns is small, i.e., in the well-off villages and towns, the main party members are party branch secretaries, village heads, and a small number of party branch and committee clerks; they do not play a positive role for all party members.

At present in the rural areas, the development of party members is extremely slow; in some cases two to three

years of cultivation are needed before a new party member can be developed. There are two reasons for this: One reason is that some young people are unwilling to join the party, thinking that if they do so there will be many meetings to attend, discipline will be strict, and their actions will be restrained. The reform and the opening up to the outside world have gone on for more than 10 years, but up to the present time this situation has not greatly changed. I think the county and province level leaders and party organizations know about this situation. Then, why, from first to last, have they not paid sufficient attention to it?

The leadership core and fighting bastion role of the rural basic-level party branches and township-town party committees has been clear for a long time. However, if the party members, in production and economic development and in building the two civilizations, lack consciousness of policy their core roll of setting an example will only depend on a small number of party branch members, and they will be unable to truly play their role as the leadership core and fighting bastion of basic-level organizations. Particularly in some backward villages, the party branch's understanding of and capability for leading the economy, leading production, and building the two civilizations is very poor. Even in villages that run the economy well, problems in this aspect still exist. The fundamental problem is that rural party members are not educated in what a socialist is and what the socialist new rural areas are, causing the party members' understanding of the fundamental difference between socialism and capitalism to be very poor. Why is this so? It is worthwhile to pose it as a problem for looking back on and examining.

Also, how is the party membership of factory directors and managers who are Communist Party members and who are in privately-operated enterprises to be handled? I went to a locality in which the director of a privately-operated factory of more than 200 staff and workers was a Communist Party member and also the secretary of the village party branch. Three party branch members also had their own privately-operated factories. What's to be done about this kind of party branch? Can it run the village's collective economy well? Can it play the leadership core and fighting bastion role?

There are also some villages in which the activities by religious, clan, and faction forces is serious, and in which there are all kinds of feudal superstitions. They lead some of the masses to openly or imperceptibly evolve in the direction opposite from that of the new socialist rural areas. In these localities, the power of party organizations and village governments has taken a hard pounding, and they cannot play their leadership

role. In strengthening the building of the rural areas with the party organization as the core basic-level organization, this is the time that particular attention should be paid to this problem and its solution.

Report on Leaders' Activities 1-7 Sep

OW0809112095

[FBIS Editorial Report] PRC media monitored from 1 to 7 September carried the following reports on PRC Central leadership activities. The source is noted in parentheses after each report.

Jiang Chunyun Hears Sichuan Flood Report 23 Aug — On 23 August, Vice Premier Jiang Chunyun listened to a report by Yang Chonghui, Sichuan Provincial CPC Committee deputy secretary, on the province's flood situation. After listening to the report, Jiang Chunyun pointed out the need for Sichuan people to work harder for a complete victory in their combat against floods. (Chengdu SICHUAN RIBAO in Chinese 24 Aug 95 p 1)

Huang Ju Meets U.S. Auto Corporation Chairman 29 Aug — On 29 August, Huang Ju, Shanghai Municipal CPC Committee secretary and chief of the municipal auto industrial group, met the U.S. Ford Motor Corporation board chairman in the Hongqiao Hotel. Huang Ju said Shanghai's task is to speed up the car industry's development. He welcomed Ford to participate in Shanghai's auto market. (Shanghai Shanghai People's Radio Network in Mandarin 2300 GMT 29 Aug 95)

Li Peng Inscribes for Statistical Publishing House 1 Sep — On 1 September, the China Statistical Publishing House commemorated its 40th founding anniversary in the Great Hall of the People. Premier Li Peng wrote an inscription that reads: "Developing a Statistical Publication Undertaking to Serve Economic Construction and Social Development." (Beijing Central People's Radio Network in Mandarin 1030 GMT 1 Sep 95)

Zou Jiahua Inscribes for Magazine 1 Sep — On 1 September, ZHONGGUO JIDIAN BAO [China Electrical Machinery Magazine] commemorated its 15th founding anniversary. Vice Premier Zou Jiahua wrote an inscription encouraging its staff members and workers. (Beijing Central People's Radio Network in Mandarin 1030 GMT 1 Sep 95)

Li Peng Inscribes for World Women's Photograph Exhibition 1 Sep — On 1 September in Beijing, a world women's photograph exhibition sponsored by the UN's fourth World Conference on Women and the XINHUA NEWS AGENCY opened. Premier Li Peng wrote the name of the exhibition. (Beijing XINHUA Domestic Service in Chinese 0927 GMT 1 Sep 95)

Qiao Shi Attends Jiusan Society's Founding Anniversary 1 Sep — On 1 September in Beijing, the Jiusan Society held its 50th founding anniversary. Qiao Shi, Political Bureau Standing Committee member and National People's Congress chairman, attended the commemoration on behalf of the CPC Central Committee. General Secretary Jiang Zemin wrote an inscription that reads: "Inheriting and Developing Patriotic Tradition and Working Hard for the Motherland's Reunification and the Country's Invigoration." Premier Li Peng also wrote an inscription that reads: "Bringing the Strong Points of Science and Technology Into Play and Making New Contributions to Invigorating the Country by Means of Science and Technology." (Beijing XINHUA Domestic Service in Chinese 1150 GMT 1 Sep 95)

Li Ruihuan, Qian Qichen Meet War Victory Forum Participants 1 Sep — On 1 September, the United Front Work Department of the CPC Central Committee invited overseas and Chinese generals who participated in the war against Japanese aggression, as well as patriots and their relatives to a forum to commemorate the 50th anniversary of the victory over Japanese aggression. Li Ruihuan, Political Bureau Standing Committee member and National Committee member of the Chinese People's Political Consultative Conference, and Vice Premier Qian Qichen met the participants prior to the forum's opening and took a group photograph with them. (Beijing XINHUA Domestic Service in Chinese 1213 GMT 1 Sep 95)

Ismail Amat Meets Ethnic Delegation 1 Sep — On 1 September, a national ethnic delegation, comprised of some 100 people from 56 minority nationalities, arrived in Beijing. Ismail Amat, State Nationalities Affairs Commission chairman, invited the delegation to dinner. (Beijing XINHUA Domestic Service in Chinese 1447 GMT 1 Sep 95)

Wei Jianxing Attends Ceremony Marking 1st Day of School 1 Sep — On 1 September, Beijing middle and elementary school students, totaling 1.62 million, ushered in their first day of school. Wei Jianxing, Political Bureau member and Beijing Municipal CPC Committee secretary, visited the Wanquan Elementary School to participate in its opening ceremony with the teachers and students. (Beijing XINHUA Domestic Service in Chinese 1500 GMT 1 Sep 95)

Wei Jianxing Meets Film Crew 1 Sep — On 1 September, Wei Jianxing, Political Bureau member and Beijing Municipal CPC Committee secretary, met the crew of the film "July 7th Incident" (Marco Polo Bridge Incident), during which he pointed out that there were great prospects for using movies to strengthen socialist spir-

itual civilization. (Beijing XINHUA Domestic Service in Chinese 1517 GMT 1 Sep 95)

Wu Bangguo Participates in Tibet Anniversary Commemoration 2 Sep — On the morning of 2 September, a central delegation headed by Wu Bangguo took part in a large-scale gathering in Luobulinka together with some 20,000 people to commemorate the 30th founding anniversary of the Tibet Autonomous Region. (Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 2 Sep 95)

Wu Bangguo Attends Show on Tibet's Founding Anniversary 2 Sep — On the evening of 2 September, a central art troupe put on its first show in Lhasa to mark Tibet's 30th founding anniversary. Wu Bangguo, Wang Zhaoguo, and Chen Kuiyan watched the show together with some 1,000 people in Lhasa. (Beijing XINHUA Domestic Service in Chinese 1621 GMT 2 Sep 95)

Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao Attend Performance — On 2 September, a large-scale song and dance performance entitled "In Praise of Light" was held in the Great Hall of the People to commemorate the 50th anniversary of the victory over Japanese aggression. Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren watched the performance. After the performance, they shook hands with the performers. (Beijing XINHUA Domestic Service in Chinese 1634 GMT 2 Sep 95)

Wei Jianxing Welcomes Ethnic Women's Delegation 2 Sep — On 2 September, Wei Jianxing, Political Bureau member and Beijing Municipal CPC Committee secretary, welcomed a national ethnic women's delegation to Beijing, during which he also briefed them on Beijing's development and changes in recent years. (Beijing Television One in Mandarin 1100 GMT 2 Sep 95)

Li Guixian Attends Yunnan Party School Anniversary 1 Sep — On 1 September, the Yunnan Provincial CPC Committee's Party School held a commemoration to mark its 45th founding anniversary. State Councilor Li Guixian attended and made a speech, saying that party schools are centers for fostering party-member cadres and that there is a need to build a contingent of leading cadres who serve the socialist market economy. (Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 2 Sep 95)

Song Ping Sends Message to War Victory Forum in Sichuan — From 2-4 September, the Sichuan Provincial CPC Committee and Chongqing City CPC Committee held a forum on the victory over Japanese aggression. Twenty-five veteran comrades attended the forum and Comrade Song Ping sent a congratulatory message.

(Beijing XINHUA Domestic Service in Chinese 0437 GMT 4 Sep 95)

Luo Gan Attends 5 Sep Li Peng, Benazir Bhutto Meeting — On 5 September, State Councilor Luo Gan was present at a meeting between Premier Li Peng and Pakistani Prime Minister Benazir Bhutto. (OW0109044095) (Beijing XINHUA Domestic Service in Chinese 0937 GMT 5 September 95)

Chen Muhua, Peng Peiyun Attend Tree Planting Ceremony 6 Sep — On 6 September, a world women friendship afforestation activity opened in Beijing's Huairou County. Chen Muhua, head of the Chinese delegation to the fourth World Conference on Women, attended the opening ceremony and wrote an inscription for it. State Councilor Peng Peiyun unveiled the monument to this afforestation activity. (Beijing XINHUA Domestic Service in Chinese 1044 GMT 6 Sep 95)

Tian Jiyun Writes Law Enforcement Article — On 6 Sep, the 1995 100-day law enforcement activity ended in Beijing. Tian Jiyun, CPC Central Committee Political Bureau member and National People's Congress vice chairman, wrote an article pointing out that the strict implementation of law requires a law enforcement environment, adding that all levels of party committees, people's congresses, governments, and people in all circles should support law enforcement institutions in implementing law. (Beijing XINHUA Domestic Service in Chinese 1236 GMT 6 Sep 95)

Science & Technology

Article Considers Goals of 9th 5-Year Plan

OW0809015295 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0718 GMT 20 Aug 95

[Article by Lin Ying (2651 7751): "The Direction and Goal of Developing Science and Technology During China's Ninth Five-Year Plan"]

[FBIS Translated Text] Hong Kong, 20 Aug ZHONGGUO TONGXUN SHE — According to the latest disclosures by Chinese officials, as drafting of the Ninth Five-Year Plan is being stepped up, policies and plans for developing science and technology will be guided by Deng Xiaoping's proposition that "science and technology are the primary productive forces" and based on the "Decision on Accelerating Scientific and Technological Progress" adopted by the party Central Committee in May this year. Three areas are particularly emphasized: relying on scientific and technological progress for economic construction, developing new and high technologies and commercializing scientific research results, and attaching great importance to educating and training scientifically and technically talented people. To this end,

the government will drastically increase scientific and technological research during the Ninth Five-Year Plan period.

Song Jian, minister in charge of China's State Science and Technology Commission, pointed out recently: After more than a decade of rapid growth, we have developed a fairly large national economy. Meanwhile, we are confronted with increasingly serious problems of irrational structure, backward technology, low economic efficiency, and poor product quality. During such extensive economic growth, we can no longer meet the demand for sustaining a rapid, healthy economic development in the new era. Therefore, during the Ninth Five-Year Plan period, we should go all out to develop new and high technologies and apply them to industries by accelerating the process of commercializing, industrializing, and internationalizing new and high technologies. This is an important strategic task for the Chinese national economy during the Ninth Five-Year Plan period and for a long time to come.

State Council Vice Premier Zhu Rongji said recently: The Ninth Five-Year Plan covers the last five-year period designated for achieving the second-phase strategic goal of national economic development. To achieve this goal and reach a certain level of development, we should not rely mainly on increases in input, nor should we extend the scale of construction; instead, we should rely on science and technology to improve the quality and efficiency of economic growth, on existing enterprises to give play to their productive potential, and on the completion of projects under construction and their conversion into productive forces, so as to ensure a sustained, rapid, healthy development of the national economy. Therefore, we should rely on science and technology for economic development during the Ninth Five-Year Plan period, stressing more technology-intensive products. While energetically developing tertiary industries and promoting the primary industry (agriculture), we should readjust the structure of secondary industries, developing those that employ advanced technologies and eliminating backward ones. In addition, all trades and professions should carry out technological transformation, to catch up gradually with the world's advanced technical functions and consumption quotas of energy and raw and semi-finished materials.

A senior official of China's science and technology department emphasized: During the Ninth five-Year Plan period, science and technology should be geared to the needs of economic construction. We should attach importance to technological development and research and promptly apply scientific and technological research results to raising the quality and economic efficiency of products. To this end, we should make enterprises bear

the main burden of technology development, integrate science and technology with economic construction, and rely on science and technology to speed up economic growth. However, while emphasizing technology development and research, we should also attach importance to key basic research and sophisticated scientific research projects so as to lay a solid foundation for developing and popularizing applied technology. It is correct that we attached importance to basic research in the past. However, we failed to pay close attention to the popularization of science and technology, which should be stepped up from now on.

To strengthen education and training of talented personnel, the government will increase the input of funds. During the Ninth Five-Year Plan period, the proportion of expenditures for science and technology research and development in the gross national product will increase from around 0.6 percent at present to 1.5 percent in the year 2000, a 250-percent increase in the next five years. Meanwhile, we will ensure that the increase in science and technology expenditures will be larger than the average increase of financial revenues in state budgets. In state budgets for the next five years, investment priority will be given to the three most important areas: science and technology, education, and agriculture.

According to a briefing, the Chinese Government has clearly defined the following five major goals to be achieved under the "Torch Program" in the Ninth Five-Year Plan period: 1) the average annual revenue of new and high-tech industries will reach 600 billion yuan; 2) the average annual revenue deriving from technology, industry, and trade of new and high technology development zones nationwide will reach 500 billion yuan; 3) a total of 12,000 projects will be carried out under the "Torch Program"; 4) there will be 30,000 certified new and high-tech enterprises nationwide; and 5) 500,000 people will be trained in various fields of new and high technology. It is understood that the realization of the above five major goals during the Ninth Five-Year Plan period will lay a solid foundation for implementing the third-phase strategy for national economic development at the beginning of the next century.

Military & Public Security

Further on Liu Huaqing Interview

Quality of Army

HK0809061295 Hong Kong TA KUNG PAO
in Chinese 5 Sep 95 p A2

[Interview with Liu Huaqing, Chinese Central Military Commission vice chairman, by TA KUNG PAO staff in Beijing on 1 September; third of a five-part series:

"Liu Huaqing Explains 'Troops Being Valued for Their Quality'"; from the "Special Dispatch" column]

[FBIS Translated Text] [TA KUNG PAO] On several occasions, Chinese leaders have indicated the need to enhance the quality building of the army. Could you please explain the meaning of quality building?

[Liu] "Troops being valued for their quality" is a common theory in running the army in all countries at all times. All major countries today are taking advantage of the favorable opportunity in the wake of the Cold War to readjust their military strategy while cutting back the size of the army, working hard to improve army quality building. We may put it that enhancing army quality building is the developing trend in army building of all countries. However, because of the differences in the political systems, economic strengths, scientific and technological levels, and security environments of various countries, the trains of thought and channels of army modernization cannot be the same. We must not copy the pattern of any other country in the modernization of our army, and must proceed from our own national conditions and the conditions of our army and adhere to following our own path and possessing our own characteristics.

Generally speaking, to enhance our army's quality building, it is precisely necessary to implement Mao Zedong military thinking and Deng Xiaoping's thinking on army building during the new period, as well as a series of instructions by Central Military Commission Chairman Jiang Zemin to improve the army's combat effectiveness in a comprehensive way. To elaborate somewhat, I think this mainly involves six aspects: First, augment ideological and political building in a big way, persist in the party's absolute leadership over the army, adhere to the purpose of serving the people heart and soul, and bring forward the army's fine traditions. Political consciousness is the soul of quality building; without the correct political orientation, the army would have no rallying force, and combat effectiveness would be out of the question. Second, work hard to strengthen scientific research in defense, and gradually improve our army's weaponry and equipment. Our principle is to take self-reliance as the key, while importing some advanced foreign technology with focus and selection to enhance and elevate our level of research and production of our own weaponry and equipment. At the same time, attention must be paid to the organic combination of man and weapon, enhancing training and giving play to the combat effectiveness of existing weapons. Third, optimize structure, conducting combination in a scientific way to improve general combat effectiveness. Do a good job of building a crack regular army, while paying attention to strengthening the building

of reserve forces. Fourth, grasp education and training well, improve the quality of officers and men, and bring up a large number of qualified military personnel. Especially do a good job of grasping the training of commanders at various levels, to enable them to master all sorts of knowledge involved in modern warfare and improve their ability in organization and command. Fifth, adhere to running the army in accordance with the law, being strict in running the army to elevate the level of our regular army. Be strict in carrying out orders and rules and regulations, and strengthen the administration of the army to guarantee its good order and strict discipline. The higher the level of army modernization, the higher the demand for a regular army; it is imperative to complete and perfect decrees, regulations, and institutions. Great progress has been made in the building of the legal system in the army over the past few years. Of course, there is still much work to be done in this area. Sixth, do a good job of grasping grass-roots building in a down-to-earth way. The grass roots are the foundation of army building; only when a good job is done of grass-roots building with a sound foundation will it be possible for the army to be full of vitality and vigor. In short, our army's exclusive political advantages, appropriate scope of military strength, scientific organization and establishment, relatively high level of equipment, and strict and regular training and administration are all major aspects in enhancing our army's quality building. As long as we continue to take this road unremittingly, we are sure to keep scoring new accomplishments in the modernization of our army.

Denies 'Threat' to West

HK0809061495 Hong Kong in Chinese 6 Sep 95
p A2

[Interview with Liu Huaqing, Chinese Central Military Commission vice chairman, by TA KUNG PAO staff in Beijing on 1 September; fourth of a five-part series: "Liu Huaqing Refutes Argument That 'China Poses a Threat'"; from the "Special Dispatch" column]

[FBIS Translated Text] [TA KUNG PAO] One or two countries in the world are intentionally playing up the argument that "China poses a threat" in the face of a suddenly rising and rapidly developing China. A number of U.S. media have given publicity to the need to contain China and even proposed restoring the "Southeast Asia Treaty Organization," set up to deter and contain China at the instigation of the United States. What do you think of this?

[Liu] We have noted that some people in Western countries have vigorously disseminated the argument

that "China poses a threat" over the last few years. This argument is untenable and those who spread the fallacy have an axe to grind.

China has consistently pursued an independent foreign policy of peace and insisted that various countries should, in line with the Charter of the United Nations and the Five Principles of Peaceful Coexistence, jointly set up a new just and reasonable international order and maintain a peaceful international environment and that disputes between countries should be settled through negotiations. China is opposed to the use of force and to threatening with force. Again, China is against hegemonism and power politics in any form.

China is a developing socialist country with a large population, a poor original foundation, and a low level of economic and social development. To advance the economy is the common aspiration of the people throughout the country and an essential requirement for maintaining social stability. In the last 16 years following the introduction of reform, we have focused on economic construction and pushed our economy forward at an annual rate of 9 percent, an achievement well acknowledged worldwide. According to our plan, we are to develop China into a moderately developed country by 2050. To this end, we must have a peaceful and stable international environment. Without this, economic development and improvement of the people's living standards would be out of the question. To maintain world peace and friendly relations with other countries complies with our national interests. All this prevents China constituting a threat to other countries. China does not seek hegemony now, nor will it ever do so in the future. China has always been a reliable force for the preservation of world peace and stability.

Ours is a country with a vast expanse of land, a long border, and a long coastline. To ensure national security and to defend sovereignty and territorial integrity, we must build up a strong national defense. This is something within our sovereignty and nobody is entitled to make accusations against us. As is known to all, China pursues a strategy of active defense, and cut its troops by 1 million several years ago, something no other country has thus far achieved. Our present military strength is of a defensive nature and the Chinese Government strictly limits defense expenditure to the minimum level necessary to ensure national security. During the last few years, various major countries in the world have adjusted their military strategies in turn by applying high and new technologies to the military field and increasing expenditures for military scientific research and updating military equipment to seek a quality edge over other countries. In this period, we have also updated our military equipment, but the improvement is limited

and only for the purpose of keeping up with scientific and technological development to increase our troops' defense capacity. We have never made a show of force or threatened other countries with force. In fact, some military powers have hardly cut down on their sophisticated weaponry, but a few people overseas turned a blind eye to this while criticizing China for strengthening its defense capacity. This is unfair and goes against objective reality.

Some people in the Western world have an axe to grind in arguing that "China poses a threat." The people of the world must be conscious of their ulterior motives. As the biggest developing country in the world, China has always upheld justice in handling international affairs, preventing some people pursuing hegemonism and power politics. Over a dozen years and more, China has firmly followed its own path, with the result that its economy has grown rapidly and its overall national strength has expanded somewhat. For some people in the Western world, China's achievements are like a fishbone sticking in the throat. A strong and unified China is repugnant to them and they wish China to remain a poor and weak country for ever. In my view, nobody can stop China's development and a prosperous and stable China is of great importance to security and development in the Asia-Pacific region and to world peace. Statesmen of foresight are aware of this. The argument that "China poses a threat" aims to vilify China as a peace-loving country, set China against neighboring countries, and fan anti-Chinese sentiments or phobias about China. The argument is ill-designed, but it is certainly to no avail. More and more people of foresight refuse to be fooled by lies and draw a correct conclusion from the facts. For instance, Indonesian Foreign Minister Ali Addullah Alatas recently pointed out: China's economic growth is advantageous to regional and world peace; the argument that "China poses a threat" is untenable. We also note that famous Americans such as William Perry and Dick Cheney have also expressed similar views.

Hong Kong Garrison

HK0809061895 Hong Kong TA KUNG PAO
in Chinese 7 Sep 95 p A2

[Interview with Liu Huaqing, Chinese Central Military Commission vice chairman, by TA KUNG PAO staff in Beijing on 1 September; fifth of a five-part series: "Liu Huaqing Expounds On Decision To Station Troops in Hong Kong"; from the "Special Dispatch" column]

[FBIS Translated Text] [TA KUNG PAO] The year 1997, when Hong Kong will return to Chinese rule, is drawing near, would you say something about the latest

developments concerning Chinese troops to be stationed in Hong Kong after 1997?

[Liu] The stationing of troops in Hong Kong by the central government is symbolic of restoring Chinese sovereignty over Hong Kong, meets the need to preserve national unification, and is of great importance to maintaining Hong Kong's long-term prosperity and stability. We are stepping up preparations for stationing troops in Hong Kong. The first-phase relevant organizational work has been accomplished. Officers and men to join the force are of high quality and further screening will be carried out. We will concentrate on education and training for the force. We will set strict demands on the force so that they will fulfill their sacred mission and display their image as a military unit of humanity, justice, and virtue; of civilization; and of might. In due course next year, Hong Kong people of all walks of life can be invited to visit the troops to be stationed in Hong Kong. I believe Hong Kong compatriots will acquire a better understanding of the fine tradition and the inner world of the People's Liberation Army, the people's own army, through such visits.

I would like to say something about preparations for the law governing the troops stationed in Hong Kong. In light of the Basic Law, the department concerned has drafted a "Law on Troops Stationed in the Special Administrative Region [SAR]," defining the functions and powers of the troops; the management of the troops; the jurisdiction over the troops; and the relationship between the troops and the SAR. Apart from abiding by national laws, the troops shall abide by Hong Kong laws. The troops shall not interfere with local affairs or go into business. The department concerned is also drafting rules and regulations applicable to the troops. The troops will receive in-depth political education, military training, and education on Hong Kong's basic social situation and existing Hong Kong laws.

'Major' Personnel Changes Reported Imminent

HK0809011395 Hong Kong PING GUO JIH PAO
in Chinese 2 Sep 95 p A14

["Special article" by reporter Ma Tien-long (7456 1131 7893): "Series of Unusual Changes Take Place in Military Systems in Both Taiwan and the Mainland"]

[FBIS Translated Text] At a time when cross-strait relations are growing strained, there will be a series of unusual personnel changes in both mainland and Taiwan military systems.

A source close to the mainland military said: The military leadership is making or is ready to make major personnel changes involving the General Staff Head-

quarters, various armed services, and major military regions.

Elderly Generals Will Resign From Leading Posts

According to the source, a number of elderly generals will resign from leading posts and be replaced by middle-aged generals. General Xu Huizi, executive deputy chief of staff, will resign and transfer to the Academy of Military Sciences to take up the post of commandant as ordered; Lieutenant General Cao Gangchuan, incumbent deputy chief of staff, will be promoted to executive deputy chief of staff; and Admiral Li Jing, deputy chief of staff, is likely to go back to the Navy and act as commander. Lieutenant Generals Kui Fulin and Wu Quanzu, assistant chiefs of staff, will be appointed deputy chiefs of staff. Again, Navy Commander Zhang Lianzhong is very likely to be promoted to deputy chief of staff. Xu Huizi will continue to sit on the Preliminary Work Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] until the PWC has fulfilled its mission. Cao Gangchuan is expected to join the Preparatory Committee of the Hong Kong SAR when the preparatory committee is set up.

Regarding personnel changes concerning various armed services and major military regions, the informant said: Navy Political Commissar Vice Admiral Zhou Kunren will be appointed political commissar of the General Logistics Department and his vacancy will be filled by Rear Admiral Yang Huaqing, his deputy. Dai Xuejiang, political commissar of the Commission of Science, Technology, and Industry for National Defense, will be replaced by his deputy, Lieutenant General Li Jinai.

Liu Huaqing and Zhang Zhen, vice chairmen of the Central Military Commission [CMC], have had talks with Jiang Zemin on major personnel changes in the military system possibly involving members of the CMC and leading members of several major military regions.

The Fuzhou Military Region Is To Be Restored

Again, the military leadership is considering restoring the Fuzhou Military Region. The military region was set up in the mid- 1950's to prepare military operations against Taiwan and was merged with the Nanjing Military Region in 1985, when Deng Xiaoping cut down on the size of the military to a great extent and merged major military regions. Recently the military formally proposed restoring the Fuzhou Military Region, taking advantage of the cross-strait tension. Analysts believe the hawks faction in the military headed by Zhang Zhen vigorously promoted reestablishment of the Fuzhou Military Region in a bid to recover and increase

their edge, which was eclipsed by the large-scale demobilization, and thus expand their influence over the policymaking power center in Beijing. Jiang Zemin is uninterested in their plan because he is concerned that the military, once its power is expanded, will increase its interference in the political situation and that their plan, if carried through, will amount to negating Deng Xiaoping's efforts to cut back military strength.

In another development, the armed police and reserve forces in various localities will come under the CMC. Materials show that the Armed Police Force, originally under the State Council's Public Security Ministry, has 800,000 personnel. The Armed Police Force will be directly under the General Staff Headquarters after coming within the jurisdiction of the CMC. In the meantime, the reserve forces and militia, which are under the people's armed forces departments of local governments, will come under the CMC, specifically under the General Staff Headquarters. But a number of special services of the Armed Police Force, including fire-fighting, forest, and gold [as published] units will still be under the existing leadership where their professional operations are concerned.

Taiwan Sets Up a New Fleet

Meanwhile, in Taiwan, the Navy has recently decided to set up a new fleet in eastern Taiwan to increase its antisubmarine capacity. Taiwan now has six fleets, and the seventh fleet will be manned by crack troops and equipped with advanced warships including Knox (nuo ke si 6179 0344 2448) frigates leased from the United States and six Lafayette (la fa ye 2139 3127 0673) warships bought from France. The naval force will focus on antisubmarine training to increase its capability to break a marine blockade.

Circular Urges Study of Jiang WWII Speech

OW0709143795 Beijing XINHUA Domestic Service
in Chinese 1242 GMT 4 Sep 95

[FBIS Translated Text] Beijing, 4 Sep (XINHUA) — The General Political Department of the Liberation Army issued a circular today, which called on the whole Army to conscientiously study the important speech delivered by President Jiang Zemin, secretary general of the CPC Central Committee, and chairman of the Central Military Commission, at a rally in Beijing to mark the 50th anniversary of the victory of the War Against Japanese Aggression and the world war against fascism [World War II].

The circular says: Comrade Jiang Zemin's speech recalled the militant course of the War Against Japanese

Aggression, summed up our basic experience in the war, and set for us the important task of inheriting the fine traditions of the war, achieving national invigoration, and safeguarding the unification of the motherland in the period, and made clear the principled stand of opposing hegemonism and safeguarding world peace. The speech is an important document in commemorating the 50th anniversary of the victory of the War Against Japanese Aggression and the world war against fascism and is good material for conducting education in patriotism. As it is very important in helping us understand history, comprehend reality, and guide our future, all units of the Army should organize soldiers to conscientiously study the speech.

The circular says: In studying Comrade Jiang Zemin's speech, special attention should be made to guide cadres and soldiers to recognize that Japan's war of aggression against China had caused unprecedented calamities and losses to the Chinese people, to remember history, and never to forget national humiliation; to recognize the gigantic national awakening and unprecedented national unity of the Chinese people in the War Against Japanese Aggression, which basically determined the process and outcome of the war, study the revolutionary predecessors' heroic exploits in opposing Japanese imperialist aggression and striving for national independence, and inherit their noble spirit of struggling heroically and working arduously; to recognize the important status and far-reaching significance of the War Against Japanese Aggression in pushing forward the historical process of the Chinese revolution, promoting the revitalization and development of the Chinese nation, and winning the victory of the world war against fascism; to recognize that the CPC and the people's anti-Japanese forces led by it were the pillar of the Chinese nation in its War Against Japanese Aggression, unswervingly uphold and safeguard the party's leading role in socialist modernization, and uphold and safeguard the party's absolute leadership over the Army; to recognize the situation and tasks facing us at the turn of the century, firmly fulfill the great cause of the reunification of the motherland, uphold the principled stand and determination to safeguard world peace, bear in mind the Army's heavy historical tasks, further enhance the sense of mission and duty, and bring about all-around improvements in the Army.

The circular urges all units to study Comrade Jiang Zemin's speech in conjunction with education in patriotism and selfless devotion in order to make cadres and soldiers remember the historical experiences in the War Against Japanese Aggression, inherit and develop

the fine traditions of the war, unite more closely round the party central committee with Comrade Jiang Zemin as the core and round the Central Military Commission, work hard to make the country prosperous under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the

party's basic line, and make new contributions to bringing about a new round of national revitalization, fulfilling the great cause of reunifying the motherland, and safeguarding world peace.

General

Blanket Ban on New Spending for Rest of Year
HK0809073995 Hong Kong EASTERN EXPRESS
in English 8 Sep 95 p 14

[By Bruce Gilley]

[FBIS Transcribed Text] Beijing has imposed a blanket ban on new spending for the rest of the year, the only exception being made for disaster relief.

The ban, which rules out any central government outlay not contained in this year's budget, came after spending spun out of control in the first half of the year.

The ban was announced by the Finance Minister, Liu Zhongyi, at a national meeting on state finances last week, according to the China Market Economy newspaper.

"In the second half of the year, squeezing government spending must be the focus of our work," Liu told the meeting, which had not been previously reported.

"As a result, except for ensuring disaster funding, the central government will not approve any allocations for any unbudgeted expenditures, and no exceptions will be made," he said.

Economists said the ban is bad news for poor inland provinces seeking to attract money for infrastructure as well as for state enterprises struggling to survive under crippling debt loads.

Government spending rose by 27.4 per cent in the first half of the year compared to the same period last year, three times the budgeted rate, it was revealed at the meeting.

No absolute figure was given. The growth of local government spending, which accounts for roughly two-thirds of the total, exceeded 30 per cent.

"Not only is such expansion out of line with a moderately contractionary fiscal policy, but it will also create dangers for the attempt to balance the budget overall," Liu said.

Beijing has predicted a 67 billion renminbi (HK\$62bn) budget deficit this year, the same as last year's figure. It is equivalent to just over 10 per cent of total spending.

The total does not include the costs of debt servicing, which are predicted to reach Rmb86bn.

Since it began economic reforms, China has posted a budget surplus in only one year—1985.

Revenue growth was also faster than expected, but no figures were given.

Figures released earlier to the end of May, however, indicated that revenues grew by 18.1 per cent over the same period a year earlier.

Liu called on local and central government departments to restrain their spending despite the healthy receipts.

"Because revenues have been fairly buoyant, everyone has been calling for stepped-up spending," he said.

"The question of whether we can block this leak should attract the concern of us all."

The only dark spot on the revenue side was outstanding taxes from state-owned enterprises, which stood at Rmb17.9bn at the end of June, more than double the amount at the beginning of the year.

Most of the tax arrears were accounted for by the new value-added tax introduced last year which has caused administrative headaches for local governments.

In July, national tax authorities for the first time authorised local governments to obtain unpaid taxes directly from the bank accounts of companies.

"If we do not resolve this issue well, it will seriously affect the achievement of revenue targets for the year," Liu said.

Foreign and domestic economists alike have warned of a crisis in China's state finances recently.

Mounting deficits threaten to push up troublesome inflation, while the power of the central government is being weakened by the failure to adequately tax the country's booming economy, they say.

A China Academy of Sciences economist, Hu Angang, warned in June that the central government was becoming "extremely weak and fragile".

In 1994, China's central government revenues were the equivalent of only 6.5 per cent of gross domestic product, one of the lowest figures in the world, Hu said.

The rates in Organisation of Economic Co-operation and Development countries ranged from 14 per cent in Japan to 40 per cent in France.

Hu accused local governments of refusing to hand over tax revenues.

Jiang Chunyun Urges Economic Development
OW0709140695 Beijing XINHUA in English
1315 GMT 7 Sep 95

[FBIS Transcribed Text] Tianjin, September 7 (XINHUA) — The governments of big and medium-sized cities must take the development of its suburban economy as a strategic task, Chinese vice-premier Jiang

Chunyun said during his latest inspection of Tianjin, China's third largest city.

A prospering suburban economy will serve the both interests of a city and its countryside, the vice-premier said, adding that city residents will have sufficient food supply and farmers will get rich.

Jiang, who is also a member of the political bureau of the Chinese Communist Party Central Committee, made the remarks during his inspection of Tianjin from September 5 to 6.

Jiang went to a farm products market in the Hexi District, and was glad to find that the market supplies a full range of fresh and cheap farm products.

He also paid a visit to the Xiqi District, one of the city's major production bases of vegetables, fruits and fish.

Jiang noted that by taking the advantages in technologies, funds and market, cities should do its best in helping develop the suburban economy.

The development of suburban economy will ensure the supply of farm products in the city, improve the rural conditions, promote social stability and create harmonious conditions for the coordinated development of urban and rural areas, the vice-premier said.

NPC's Li Yining Says Unemployment 'Dreadful'
HK0809013495 Hong Kong MING PAO in Chinese
25 Jul 95 p C3

[Report by staff reporter: "Li Yining Says Unemployment Is More Dreadful Than Inflation"]

[FBIS Translated Text] Li Yining, standing committee member of the National People's Congress [NPC] and noted economist, recently pointed out that the tight monetary policy adopted in finance cannot resolve the problem. Conversely, a huge price will have to be paid for it. He once again emphasized that unemployment is more dreadful than inflation.

Li Yining pointed out that the current criterion for judging whether the macroeconomy has landed softly is whether inflation can be brought under 15 percent. This method is not scientific. One should also note the price paid and the consequences arising therefrom. It would be inappropriate to merely use a single target to judge the overall situation.

To China, Li said, the current inflation is mainly structural because the macroeconomy lacks the microscopic basis that corresponds with the market economy. Moreover, to coordinate with the prices of the international market, prices of primary products will have to rise. This is unavoidable. China's economy has developed rapidly

since 1979. Only when the economy has developed can there be hope and conditions for resolving problems. Therefore, inflation, though unavoidable, is not incompatible with economic stability.

Under such circumstances, Li Yining pointed out emphatically, it would be wrong to merely adopt a tight monetary policy. Those who equate inflation with excessive investment have not realized that inflation is caused mainly by the structure and that the tight monetary policy adopted in this regard will prove ineffective. The tight monetary policy will also bring about an increasing number of problems, Li said. Besides aggravating deficits, enterprises will incur heavy debts and encounter difficulties in turnover, resulting in unemployment which is more dreadful than inflation.

On the question of unemployment in China, Li pointed out, the current figure published by China is over 2 percent. But this is not complete because it refers mainly to young people in urban areas who have no jobs. Actually, it should also include workers from state enterprises who are not paid because of enterprise economic problems as well as peasants who cannot find jobs in urban areas and who are not willing to return to the rural areas. If these three factors are added, the problem will become more serious. It is estimated that 10 to 20 million people are leaving the rural areas every year. If the increase in China's population by 15 million annually is added, there must be 20 million extra posts every year. Otherwise, it will become a serious factor for instability.

Li emphatically pointed out that developing countries should always put employment in the first place because it is a primary issue related to social stability in the course of the modernization program. Unless there is drastic inflation within a short period, unemployment will be the most serious social problem.

Li Yining said that unemployment can only be resolved in the course of development because more job opportunities can be offered only when the economy has developed. The key lies in economic development. It will be difficult to maintain stability if the problem is resolved merely for the sake of stability. If prices are curtailed superficially, resulting in economic stagnation, besides the difficulties in offering employment opportunities, social contradictions will become more acute.

International Symposium Studies Liaoning's Economy

OW0709142795 Beijing XINHUA in English
1410 GMT 7 Sep 95

[FBIS Transcribed Text] Dalian, September 7 (XINHUA) — Taking an active role in Asian-Pacific eco-

conomic and technological co-operation will be critical to the economic prospects of Liaoning Province, a major mining and manufacturing center in northeast China.

This is the agreement of economists attending the symposium on Liaoning's economy and Asian-Pacific economic co-operation, which closed today in this coastal city of Liaoning.

More than 100 economists from the Chinese mainland, the United States, Japan, Russia, the Republic of Korea, Hong Kong, Macao and Taiwan took part in the two-day event.

The economists agree that viewed from the world economy, Asia and Pacific region is a most active area, and that this will provide Liaoning with a good chance to expand its regional economic co-operation.

According to information from the symposium, 90 percent of the promised overseas investment in Liaoning comes from the Asia and Pacific region, and 60 percent of Liaoning's overseas investment is concentrated in the region.

During the symposium, economists also raised their opinions and proposals on how to change Liaoning's economic growth mode, how to improve the performances of its large and medium-sized state-owned enterprises and how to enhance the efficiency and quality of its overseas investment.

Industrial Output Value Up 11.8 Percent in Aug

OW0709114695 Beijing XINHUA in English
0905 GMT 7 Sep 95

[FBIS Transcribed Text] Beijing, September 7 (XINHUA) — China's industrial output value was 145.6 billion yuan in August, 11.8 percent more than in the same month of last year, according to the State Statistics Bureau.

The growth rate, the bureau said today, is 1.8 percentage points less than that of last month.

The industrial output value increase of both the state-sector and the non-state slowed down in August. The state sector realized a total of 86.9 billion yuan in industrial output value in August, an increase of 8.3 percent on the year-on-year basis. The growth rate is down one percentage point from that of the same month last year.

China produced 1.14 trillion yuan worth of industrial goods from January to August, up 13.7 percent over the same period last year, said the bureau, and light industry continued a downward trend, growing at a speed near that of the heavy industry in August.

Light and heavy industrial output values were 59.8 billion yuan and 85.8 billion yuan respectively, rising 12.1 percent and 11.4 percent over the same month last year.

The bureau said in a report that sales were brisker in August, thanks to a slowing down of industrial output and readjusting production to fit market conditions.

The sales-production ratio rose to 96.11 percent in August, ending the several-month hovering in the 94-95 percent range, according to the report.

It said that production of chemical products continued its quick growth in August, with fertilizers and chemical pesticides growing at 19 and 33.1 percent respectively over the same month last year.

Output figures for watches, color televisions, radios, cassette recorders, refrigerators, and air conditioners all grew 20 percent over the same month last year in August while production figures for bicycles, cameras, video machines, hi-fi systems and washing machines all went down more than 15 percent.

China's primary energy production was 96 million tons in August, growing 0.7 percent over the same month last year, an obvious easing of the growth rate from the previous seven months, said the report, and iron and steel output also registered a decrease, down 5.9 percent from the same month last year.

Predictions for Economy in Second Half of '95

95CE0609A Beijing ZHONGGUO XINWEN SHE
in English 24 Aug 95

[Received via Internet www.HomePage]

[FBIS Transcribed Text] August 24 (CNS) — The China National Information Centre recently released its estimates of industry, finance, foreign trade an inflation in the second half of 1995.

Industry: The rate of growth in industrial production is expected to ease in the third quarter of 1995 prior to experiencing a resurgence towards the end of the year. This will be due to an increase in the volume of loans made available for fixed asset investment as well as for circulating capital. Estimated growth in industrial production will be in the vicinity of 16.5 to 16.9 percent in the second half of the year.

Finance: The overall situation for the second half of the year is optimistic. The volume of deposits held by the People's Bank of China will continue to outweigh the amounts distributed by way of loan. It is estimated that deposits, come to the year end, will amount to RMB 38,064 billion in outstanding loans.

Urban and rural deposits are expected to maintain their upward momentum. On a year-to-year basis, it is anticipated that such deposit will be RMLB 6,545 billion higher by the end of this year.

Foreign Trade: Exports will continue to rise but at a lower rate; the rapid rate of growth in imports will further accelerate. Total foreign trade is expected to surpass US\$ 3,000 billion.

Inflation: The inflation rate will decline. The rate of increase in consumer prices will fall by 13.3 and 10.5 per cent in the third and fourth quarters respectively. If this should prove to be the case the inflation rate for the year as a whole will be 14.9 per cent — this I say that the target set by the government earlier this year will be met.

Analysts say that this will be due to the following factors:

1. Prices of the same period of the previous year was high;
2. The effect of government intervention since the third quarter of last year;
3. An increased annual yield is expected from the rural sector since summer harvest was good and land for autumn planting and sowing had been increased. The rate of inflation in the first half of the year been kept down to 4 per cent per month. It is hoped that inflation in second half will be similarly contained.

Nevertheless, the cost of goods and services will continue to escalate at an annual rate of 17.6 per cent for society as a whole — this will be even if the second half figure is restricted to 14 percent. The control inflation is merely a question of time.

Finance & Banking

Official on Standardizing Securities Repurchases

OW0809034095 Beijing XINHUA in English
0236 GMT 8 Sep 95

[FBIS Transcribed Text] Beijing, September 8 (XINHUA) — China should streamline its securities repurchasing (repos) to help implement its monetary policy, according to a financial expert with the central bank.

"According to international standards, repos are a major part of the monetary market, not of the capital market, and should be used as a lever to carry out monetary policy," said Zhong Qirui, an expert with the People's Bank of China [PBOC], the central bank.

"Repos are not a means of investment but a method to raise short-term funds to ensure disbursement ability of financial institutions within a certain period," according

to Zhong, who is also head of capital department in the central bank.

China should have three types of repos—those conducted by the central bank through open market operations to implement monetary policy, those of the interbank lending market to help the cash flow among commercial banks, and those in securities trading centers to help firms raise short-term funds, Zhong said.

The trade volume and interest rates of repos should be decided by supply and demand of money instead of securities, he said.

The fact is, however, that the boundary between the monetary and the capital market has been blurred in China, with large sums of money having poured into long-term investment or stock and futures speculation, with funds having been raised illegally, and false repurchasing schemes have occurred frequently, said Zhong.

To solve these problems, repos in the interbank lending market should be separated from those in securities trading centers in order to stem the flow of capital from the monetary market into the capital market, Zhong explained.

If repos in the two different systems set up by the central bank are kept separate, they will have greater transparency as far as traders, trading volume and terms, and interest rates are concerned.

"The repos business can also be put under the direct supervision of the central bank so as to enforce traders' self-discipline and develop an efficient system to guard against illegal trading," Zhong said.

The central bank should draw up repos regulations soon and gradually start open market operations to use indirect leverage to guide and regulate the repos business, ensure its being conducted in line with monetary policy, Zhong added.

Foreign Trade & Investment

Guangzhou Cracks Down on CD Piracy

OW0709142595 Beijing XINHUA in English
1403 GMT 7 Sep 95

[FBIS Transcribed Text] Guangzhou, September 7 (XINHUA) — An underground network engaged in the making of pirated CDs has been cracked down in this capital city of south China's Guangdong Province, marking one more success in the anti-piracy campaign.

The leading offender involved in the case was sentenced to nine months imprisonment today, plus fines of 50,000 yuan, local police bureau said.

The city government of Guangzhou has launched a series of operations to crack down on the piracy since the beginning of this year. From January to August, a total of 120,000 pirated CDs and tens of thousands audio-video products and CD-ROMs were confiscated and destroyed.

Price Controls To Cut Dumping Finalized

OW0709171895 Beijing ZHONGGUO XINWEN SHE
in English 1311 GMT 6 Sep 95

[FBIS Transcribed Text] Beijing, September 6 (CNS) — To curb the increase in instance of dumping on overseas markets, the Chinese Customs is ready to intervene with price control measures on exports, said Wu Yi, head of the Ministry of Foreign Trade & Economic Cooperation (MOFTEC).

Ms. Wu further said that an initial list of 30 commodities that are to be subject to the new measures had been finalized. MOFTEC would later expand the categories of goods to be included on the list.

The dual practices of buying stock at high prices in the home market and competing with overseas rivals through a reduction in the selling price are the two major headaches which have continued to trouble the Chinese export trade. Although the MOFTEC has launched a number of counter-measures in recent years, they have proved unsuccessful.

In a determined move to revamp the export trade, Ms. Wu disclosed that MOFTEC was in the course of devising innovative measures to evaluate companies engaged in foreign trade, the rules governing trade fairs and penalties for infringing import and export regulations.

Xinjiang Issues Jan-Jun Foreign Trade Figures

OW0709153595 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 8 Aug 95

[From the "Xinjiang News" program]

[FBIS Translated Text] Along with the deepening of the reform in the foreign trade system and the step-by-step implementation of the general strategy for economic and trade development, Xinjiang has seen a vigorous growth in foreign trade since the beginning of this year.

According to statistics released by the regional statistical bureau, Xinjiang's total value of imports and exports ranging from January to June stands at \$546 million, up 59.6 percent from the same period last year. This includes \$324 million in total export value and \$222 million in total import value, up 39.8 percent and 100 percent, respectively.

The continuous decline in barter trade last year was reversed quickly and has maintained a higher growth rate. The total value of imports and exports through barter trade from January to June amounted to \$281 million, up 80.2 percent from the same period last year.

Agriculture

Hebei Expecting 'Good' Grain, Cotton Harvest

OW0809064895 Beijing XINHUA in English
0203 GMT 8 Sep 95

[FBIS Transcribed Text] Shijiazhuang, September 8 (XINHUA) — Hebei Province, one of China's key grain producers, is expecting a good grain and cotton harvest this year.

According to Zhao Jingcai, a provincial official in charge of agriculture, the province planted autumn crops on 6.1 million hectares of farmland this year, increasing last year's size.

Hebei had a record summer grain harvest this year with output totalling 10.65 billion kilograms, an increase of 15 percent over the previous year, which Zhao attributed to ideal weather conditions and the government's attention to agriculture.

He explained that the provincial government allocated special funds and materials for agriculture and encouraged agro-scientists to go to rural areas to help farmers with scientific farming techniques or to show them how to contract out farm production.

Shandong Expecting 'Record' Autumn Grain Harvest

OW0809064695 Beijing XINHUA in English
0322 GMT 8 Sep 95

[FBIS Transcribed Text] Jinan, September 8 (XINHUA) — East China's Shandong Province is expecting a record autumn grain harvest this year with output estimated to reach more than 21 billion kilograms.

According to the provincial agricultural department, the province's summer grain output amounted to 20.6 billion kilograms.

He said that this major grain producer of China is expected to produce a total of 42 billion kilograms of grain this year, and attributed the good harvest to the expansion of farmland, the government's attention to agriculture, and to scientific farming.

In addition to these, increasing grain prices have stimulated farmers' interest in planting grain and other profitable crops.

***Zhejiang Reports Early Rice Storage**

95CE0593D Hangzhou ZHEJIANG RIBAO
in Chinese 15 Aug 95 p 1

[FBIS Summary] As of 14 August, Zhejiang Province had put 1.111 billion kilograms of early rice in storage, of which 1.059 billion kilograms were contract grain, a 10 percent increase over the same period in 1994. Zhejiang has fulfilled 63.17 percent of the grain contract task.

***Ningxia Summer Grain Procurement Slow**

95CE0593E Yinchuan NINGXIA RIBAO in Chinese
27 Aug 95 p 2

[FBIS Summary] As of 31 July, Ningxia had procured 25 million kilograms of wheat, fulfilling 16.7 percent of the annual procurement task. Although the negotiated price this year was 1.8 yuan per kilogram, a 35 percent increase over 1994, it is about 10 percent less the market price. Farmers are waiting for the market price to further increase.

East Region

Mayor Briefs Shanghai Congress on Jan-Jun Work
*OW0709134795 Shanghai People's Radio Network
in Mandarin 2300 GMT 17 Aug 95*

[From the "990 Morning News" program]

[FBIS Translated Text] On 16 August, the 20th meeting of the 10th municipal people's congress standing committee heard Mayor Xu Kuangdi's report on the municipal government's work for the first half of this year.

In his report, Xu Kuangdi pointed out: The municipal economy as a whole functioned fairly well. During the first half of this year, Shanghai's total output value of goods and services grew 13.3 percent over the same period last year, and total industrial output value increased 17.4 percent over the same period last year. Thus, Shanghai basically fulfilled the requirement that it accomplish half of its tasks by the end of the first half of this year, and laid the foundation for smoothly completing all tasks laid down for the entire year.

Speaking of current glaring problems in Shanghai's economic and social life, Mayor Xu Kuangdi said: Growth in Shanghai's tertiary industry has abated; economic returns are not good enough; and the upward pressure of price increases remains strong. Moreover, many problems and contradictions with regard to employment and relocation have yet to be resolved.

Speaking of work over the next six months, Xu Kuangdi said: The guiding ideology for the municipal government's work over the next six months is: Gaining a clear understanding of the situation; taking the overall situation into account; actively eliminating unfavorable factors; properly handling the relationship between reform, development, and stability; and focusing on improving the ability to counter economic fluctuations while stressing both growth rates and economic returns so as to ensure sustained, rapid economic growth and a good start for Shanghai's next three-year period [que bao guo min jing ji chi xu kuai su zeng zhang shi shang hai xin san nian kai ju you yi ge liang hao di qi bu]. The guiding ideology can be summed up as maintaining growth rates, improving economic returns, ensuring progress, promoting reform, and seeking stability.

Xu Kuangdi said: The municipal government will attend to five areas of work over the next six months. These include ensuring the attainment of predetermined goals in economic growth; paying close attention to economic returns in industrial production and exports; formulating the Ninth Five-Year Plan and a development program leading up to 2000; and building Shanghai into a city with national sanitation standards.

Yesterday morning, all municipal people's congress deputies, National People's Congress deputies in Shanghai, municipal Chinese People's Political Consultative Conference [CPPCC] committee members, and national CPPCC committee members in Shanghai heard the report.

Shanghai Exports Yield Inflation, Other Problems
*95CE0610A Shanghai ZHONGGUO XINWEN SHE
in English 6 Sep 95*

[Received via Internet www.HomePage]

[FBIS Transcribed Text] Shanghai, September 6 (CNS) — From January to August this year, Shanghai's exports grew in value to US\$ 8.032 billion — an increase of 41.4 per cent over the same period last year. Much pressure has been exerted on Shanghai's export trade which has been facing difficulties including rises of interest rates, the exchange rate of the Renminbi, price of export commodities and the fall in tax revenues from exports. The situation is expected to deteriorate at least until the first quarter next year.

In the Working Conference for Exports yesterday, Sha Lin, Deputy mayor of Shanghai, said that the present situation was not a temporary phenomenon. He demanded that all export enterprises prepare themselves for a sustained period of economic austerity.

Zhejiang Imposes 'Tougher Control' Over Farmland

*OW0709134695 Beijing XINHUA in English
1239 GMT 7 Sep 95*

[FBIS Transcribed Text] Hangzhou, September 7 (XINHUA) — Deputy-governor Liu Xirong of east China's Zhejiang Province today signed responsibility contracts with the authorities of 11 local cities and prefectures, imposing tougher control of constantly-decreasing farmland.

Zhejiang is a populous province with limited farmland and the total amount of arable land in this province is decreasing at an annual rate of 17,053 ha in recent years, the deputy-governor said.

Under the responsibility contracts, local governments should do their utmost to slow down the decreasing of farmland and keep it within the target set by the province.

They should fulfill the task of making more land arable annually and try all means to sharply reduce the illegal occupation of the farmland.

The contracts stipulate that local governments should see to it that no farmland be left idle. [sentence as received] The provincial government will exercise regular checks on the implementation of the contracts. Violators of the contracts will be disciplined or be punished in accordance with law.

The provincial government has set the goal of stabilizing its total area of farmland at 1,585,000 ha by 2000 and making additional 5,333 ha of land arable annually in the remaining years of the century.

Southwest Region

Xie Addresses Sichuan Military Party Plenum

OW0709145895 Chengdu Sichuan Television Network
in Mandarin 1145 GMT 4 Aug 95

[Announcer-read report over video; from the "Provincial News Hookup" program]

[FBIS Translated Text] On 3 August, the fifth plenary session of the fourth Sichuan Provincial Military District party committee opened. Xie Shijie, provincial party committee secretary and provincial military district party committee first secretary, attended the meeting and delivered an important speech.

The meeting relayed and studied the guidelines of the Central Military Commission's directive, and the guidelines of the fourth plenary session of the seventh Chengdu Military Region party committee. On behalf of the provincial military district party committee, Ding Zhaoqian, provincial military district commander, reviewed and analyzed work in the first half of this year, and made suggestions for doing a better job in the second half. The suggestions called for strengthening ideological work, paying attention to priority tasks, exercising strict military administration and improving management and educational standards, and further changing the leadership style. [video alternates between the head table and the meeting room]

Xie Shijie, provincial party committee secretary and provincial military district party committee first secretary, attended the meeting and delivered an important speech. He said: Party committees at all levels in the provincial military district should attach great importance to ideological and political work to ensure political reliability. Leading cadres at all levels should always keep in mind their historical responsibility; set examples in promoting honest practices in the party and government; give full rein to the functions of militia and reserve troops in promoting Sichuan's economic development and social stability; carry forward the fine tradition of putting the Armed Forces under the party's lead-

ership; and conscientiously strengthen leadership over military affairs.

Secretary Xie stressed: Party committees at all levels should view ideological and political work as a task of primary importance; carry out ideological and political work in all endeavors; arm each and every officer and man with scientific theory; always remain clear-headed and firm ideologically and politically; always subject themselves to the supervision of party organizations and people; and always serve as people's servants. They should bring into full play the strengths and roles of departments in the provincial military district. They should actively organize militiamen and reservists to undergo training, and deploy and improve themselves on the main battlefield of economic construction and in the maintenance of social stability, and to work hard to expedite Sichuan's reform, opening up, and economic development.

Geng Quanli, provincial party committee standing committee member and provincial military district political commissar, chaired today's [as heard] meeting. Tao Delun, (Luo Liewen), Zhu Guiheng, (Lin Zhunlong), Shi Zhili, and (Wu Jinfu), provincial party committee members and standing committee members, attended the plenary session.

*Xinjiang Holds Nationality Conference

Chinese-Style Socialism Stressed

95CM0319A Urumqi XINJIANG RIBAO in Chinese
26 May 95 p 8

[Speech by A-wu-ti Tuo-hu-ti (7093 0710 2251 2094 0039 2251), researcher of the Xinjiang Autonomous Regional Academy of Social Sciences: "Use the Theory of Building Chinese-Style Socialism To Guide Nationality Work"]

[FBIS Translated Text] After mastering a scientific understanding of the nature and characteristics of nationality work in the new period, Comrade Deng Xiaoping set forth an ideological theory for the nationality work in the new period, providing guidance for the nationality work of our party in the current stage. This theory is an inheritance, enrichment, and development of Marxist theory on nationality. To put it briefly, it includes mainly the following aspects:

1. Comrade Deng Xiaoping stresses the principle of national equality. He pointed out in 1987: "The People's Republic of China does not have racial discrimination. China has dozens of nationalities, and minority nationalities account for only 6 percent of its total population; but the percentage of minority cadres in people's

congresses and administrative organs at all levels is far more than 6 percent."

The right to political involvement is an important aspect of the right to national equality. In order to allow minorities to participate in major events of the state and the management of local affairs in an equal capacity, the election law provides: "In the communities of minority nationalities, every minority nationality should be represented at the local people's congress. Even the minority nationality of a very small population should also be represented at least by one delegate." According to the law, the ratio of minority delegates is generally higher than the ratio of minority population. This insures that the right of minority nationalities to participate in the management of major national events and local affairs is protected effectively, organizationally, and politically. The state also provides in the form of law some privileges of minority nationalities. The enforcement of these provisions has enabled the minorities of China to ascend to the political stage in an equal capacity and become the master of the country, [as translated] thereby substantially arousing the enthusiasm of minority nationalities for building socialism.

Like Comrade Deng Xiaoping said, through democratic reform and socialist transformation, all nationalities of China have taken the road of socialism one after another, formed a new type of racial relationship boasting of socialist solidarity, friendship, and mutual aid and cooperation. That Deng Xiaoping repeatedly has stressed the need to uphold the policy of national equality under the new situation is of profound historical and practical significance.

2. Comrade Deng Xiaoping has enriched and developed the contents of Mao Zedong's theory on national unity. Comrade Deng Xiaoping stresses national unity as first priority of the united front and believes that it concerns the success and failure of socialist construction and the fate of the country. He has repeatedly emphasized that the China is an organic whole that breathes in unison and shares a common destiny. It prospers when united and falls when divided. Only by consolidating national unity can the China be rejuvenated. In order to protect the unification of the nation and the unity of all nationalities, he has also given special emphasis to maintaining the stability of minority regions and the stability of the nation as a whole.

3. Comrade Deng Xiaoping has clearly pointed out an important way to speed up the economic development of minority regions of China and to achieve the goal of common prosperity. He said that liberation and developing productive forces and achieving common prosperity are dialectical unity which cannot be divided. He

said that vigorously developing the commodity and market economies in minority regions, doing a good job in minority trade, deepening reform and opening up, accelerating the development of science, technology, education, and cultural undertakings in minority regions, improving the quality of minority laborers are effective measures to achieve common prosperity of all nationalities. When he met with former U.S. President Carter on 29 June, 1987, Comrade Deng Xiaoping said: "After the smashing of the Gang of Four, the central government adopted many measures to develop minority regions. Many resources of China are distributed in the regions of minority nationalities, including Xizang and Xinjiang. The prospect is very good if these regions are developed. Our policy to assist in the development of minority regions is firm and unshakable." This shows that the theories of Deng Xiaoping on developing the productive forces of minority regions, persisting in reform and opening up, cultivating the minority market economy, and achieving the goal of common prosperity of all nationalities have enriched and developed both in depth and scope the theory of Mao Zedong on developing the economy of minority regions.

4. Comrade Deng Xiaoping pays great attention to the building of a legal system regarding nationalities in the new period, further consolidating and perfecting the self-government system in minority regions. Deng Xiaoping has always attached great importance to building the self-government system of minority regions. He considers the self-government system as an embodiment of the party policy of national equality and unity. He suggested: "To solve the ethnic issue, China has adopted the self-government system of minority regions instead of the system of federation of national republics. We believe that the self-government system is better and more suitable for the situation in China. We have many superior things which are the advantages of our socialist system and must not be abandoned. In today's world where many countries and regions suffer from frequent bloody conflicts and regional wars due to ethnic strife, we can manage to maintain national unity, social stability, and sustained economic development. A very important reason is that we have a correct nationality policy and have persisted in the implementation of the self-government system of minority regions. Upholding and perfecting the self-government system of minority regions is an important part of building Chinese-style socialism. It is also an important task of nationality work and socialist democracy and legal system construction in the new period.

5. Comrade Deng Xiaoping advocates the thinking that unifies patriotism with nationalism and combines national feelings with patriotism and four basic princi-

ples, thus promoting and maintaining the unification of the country and enabling all nationalities to prosper, progress, and develop. He has organically combined patriotism with nationalism in the new period, integrated the interests of the motherland and all nations, sung high praises of the main melody of patriotism, and enriched and developed the ethnic concept of Marxist-Leninist and Mao Zedong theories.

Currently, the people of all nationalities in China are undertaking reform, opening up, and socialist modernization, which is a very complex and arduous task. Because of this, we should conscientiously study and thoroughly understand Comrade Deng Xiaoping's theory on building Chinese-style socialism and get a firm grip on the Chinese-style socialist theory on nationality in the new period. We should enhance our understanding, resolutely uphold the party's policy on nationality, unite as one, work hard together, and achieve the unification of the motherland and the common prosperity of all nationalities.

*National Unity, Progress

95CM0319B Urumqi XINJIANG RIBAO in Chinese
26 May 95 p 8

[Speech by Qi Wenli (7871 2429 4409), researcher of the Xinjiang Autonomous Regional Democratic League: "Continue To Accelerate the Development of National Unity and Progress"]

[FBIS Translated Text] China is a unified multi-national country. Under the conditions of building a socialist market economic system, how to centralize the willpower, strengthen the cohesion, arouse the enthusiasm, utilize the talents and wisdom of the people of all nationalities so as to accelerate reform, opening up, and modernization and to continue to promote national unity and progress is a very important subject which is worth serious pondering and study.

In recent years, a group of collectives and individuals advanced in national unity have emerged in Xinjiang. Carefully reviewing the basic experience of these advanced models and using it as an important reference is of far-reaching significance to promoting national unity and progress in the region.

1. Upholding the Marxist concept of nationality and guiding ethnic work with Comrade Deng Xiaoping's theory of building Chinese-style socialism is the theoretical basis for promoting national unity and progress. Comrade Jiang Zemin said: "To promote the unity and progress of all nationalities, we must uphold Comrade Deng Xiaoping's theory of building Chinese-style socialism and the Marxist concept of nationality." Numerous stories of advanced models show that under the new

situation of building the socialist market economic system, as long as we can properly study and utilize Comrade Deng Xiaoping's theory of building Chinese-style socialism, we will be able to promote national unity and progress.

In the course of building the socialist market economic system, only by strengthening the cohesion, arousing the enthusiasm, utilizing the wisdom and talents of the people of all nationalities can we work together with one heart to promote reform, opening up, and modernization, consolidate and develop the new type of socialist national relationship, and achieve the common prosperity of all nationalities.

2. Upholding the basic line of the party, focusing on economic construction, developing productive forces and raising the living standards of the people of all nationalities is the basis for national unity and progress. Without a strong economy, the self-government of minority regions is meaningless. In the new historical period, the key to doing a good job in ethnic work and increasing national unity is to vigorously create conditions to speed up the development of economic and cultural undertakings of minority nationalities in minority regions and to accelerate the common prosperity of all nationalities. The solution to the conflicts and problems in minority regions depends on economic development. If the economy is growing, the people's living standards are better, the people of all nationalities live and work in peace and contentment and dedicate their heart and soul to achieving the goal of comfortable living, national unity will continue to increase and society will progress in every way. Economy is the basis and unity is the key. Without political stability and social order, reform, opening up, and economic construction will sure to fail. In a multi-national region like Xinjiang, enhancing the unity of the people of all nationalities and carrying forward the fine tradition of all nationalities learning from each other and progressing simultaneously is the prerequisite for accelerating economic development.

3. Reform and opening up is the only way to encourage the continuous development of national unity and progress. Experience shows that under the new situation of building the socialist market economic system, all regions and nationalities must be determined to smash all spiritual shackles that confine people's minds, and to uphold reform and opening up in order to accelerate the development of national unity and progress.

4. Developing the fine tradition of all Chinese nationalities showing concerns and support for each other under the banner of patriotism is a strong force pushing the undertaking of national unity and progress. In the course of a long history, the people of all nationalities of China

have formed a fine tradition of harmonious and cooperative relationships, which is the internal factor for the unification of the country and the prosperity of the nation. Xinjiang is a multi-national and multi-religion area, and giving full play to the role of patriotic religious personnel and combining their love for religion with their love for China has a positive effect on accelerating the development of national unity and progress.

5. Conscientiously implementing the party's ethnic policy is the fundamental guarantee for accelerating the development of national unity and progress. In the past several decades, the Communist Party of China insisted on combining the fundamentals of Marxism with the reality of China and formulated a complete set of policies upholding national equality, unity, mutual support, the self-government system of minority regions, and the goal of achieving the common prosperity of all nationalities through building socialist undertakings. By so doing, the Communist Party of China has found a correct, Chinese-style solution to the ethnic problem. In a multi-national region like Xinjiang, as long as we can adhere to the Marxist line and correctly implement the party's ethnic policy, we will be able to strengthen national unity and bring about all-round social and economic development.

***Problems of Reform**

95CM0319C *Urumqi XINJIANG RIBAO in Chinese*
26 May 95 p 8

[Speech by Zhang Jianxin (1728 1696 2450), assistant researcher at the Xinjiang Regional Academy of Social Sciences: "Several Problems in Enterprise Reform in Multi-National Regions"]

[FBIS Translated Text] In those large and medium-sized enterprises where minority workers account for a definite percentage, it is natural that the effort to deepen enterprise reform will affect different aspects of minority workers as a collective and as individuals. This has also caused some economic problems to take on obvious ethnic characteristics. These problems can be summarized as follows:

A. The characteristics of enterprises in multi-national regions include the following three aspects: 1) Objective conditions of enterprises; 2) the multi-national nature of the enterprise itself; and 3) the incompatibility between the traditional culture, customs, and behavior patterns of minority nationalities and the requirements of modern enterprise management.

B. The uniformity of policies affects enterprises in minority regions. Due to the historical and cultural factors and the influence of the planned economic system enforced before the reform, many economically

backward multi-national regions are unable to compete economically with economically developed inland areas from the same start line, nor do they have other equal conditions to compete.

C. The concept and mental endurance of workers, especially minority workers. With regard to the concept issue, the main thing is to change equal results to equal opportunity and to clearly point out in enterprise reform that "efficiency comes first with consideration for equality." With regard to the mental endurance issue, the main problem is that enterprise workers, especially workers of old enterprises, have been working on simple types of work and are unlikely to find reemployment. Minority workers have a greater burden of family and have limited economic resources. As a result, their endurance for reform measures is poor and they may have trouble back home. Besides, supporting measures are not introduced at the same time, causing people to worry about chain reactions. Plus with insufficient propaganda and some methodical problems, workers cannot genuinely and accurately understand many reforms that ought to be carried out. Policy makers and managers lack clear understanding of workers' mental endurance and are not sure of the issue. So they seek stability and have a fear for disturbances. This also makes it difficult to introduce and carry out certain reform measures.

D. A prominent factor in the problem of training minority cadres and workers in enterprises is that skilled cadres and managers are limited among minority workers and the ratio of minority workers at technical positions is very low. Before and after the reform, changes are limited and the speed of increase is slow. Three things are lacking in training: money, cultural information, and teachers.

Based on the investigations of a dozen large and medium-sized enterprises with a definite percentage of minority workers, conducted in different areas of Xinjiang in the past two years, we propose the following solutions to the above problems:

1. Adjust to changes to the market economy and re-define the concepts of fairness and efficiency. Production units like enterprises must clearly advocate the principle of "efficiency comes first with considerations for fairness." To stress enterprise efficiency and development, government and enterprise policy makers should increase the intensity of propaganda on reform and perfect the method of propaganda under the guidance of the theory of modern social science. At the same time, policy makers should have an accurate estimate of the mental endurance of minority workers and pay attention to timely introduction of various supporting measures.

2. Supplement and perfect the policy of special treatment for minority nationalities in the course of reform. In view of the new problems arising in the reform of enterprises in Xinjiang region, government organs at all levels should first classify enterprises according to the following indexes: scale of enterprise, potential for production, importance in local economic development and political stability, ratio and quality of workers of different nationalities. Then, appropriate measures should be adopted according to the above classification. They may adopt the policy to "stop interest payment and require only repayment of capital," "reduce the payment of interest and capital," and maintain the enterprise ability to continue production. They may guide and assist enterprises in switching to another line of production or declaring bankruptcy. In accordance with the principle of mutually complementary and beneficial development, they should merge money-losing enterprises into superior enterprises.

3. Supplement and perfect the training program for minority cadres and workers. First, training programs should switch from general to specialized training and focus on the training of technical cadres. Second, for enterprises with a definite percentage of minority workers, the state may allocate some tax refunds to be used as special training funds for minority workers to solve the funding problem. Third, establish unified management organs and establish a complete, standardized evaluation system to ensure that training is linked to employment.

4. In the internal organization of enterprises (including competitive promotions), priority should be given to minority workers in light of the requirements of specific positions if all other conditions remain the same. In enterprises where minority workers account for a definite percentage, management at all levels should increase multi-national awareness, study and understand ethnic policies, and pay attention to the differences of customs of different nationalities. In light of specific positions and through combining the restrictions of management system with the self-regulation of minority workers, management at all levels should perfect management measures, improve work methods, find effective solutions for the conflicts between ethnic traditions and enterprise management system and coordinate ethnic relations within an enterprise.

*Unique Problems Noted

95CM0319D *Urumqi XINJIANG RIBAO in Chinese*
26 May 95 p 8

[Speech by He Ping (6320 5493), instructor of the Communist Party School of the Xinjiang Autonomous

Region: "Characteristics of Ethnic Issue in the New Period"]

[FBIS Translated Text] Since the 14th Party Congress established the objective and model for building a socialist market economic system, China's reform, opening up, and socialist modernization have entered into a new stage of development. Hence, there are many new situations and new characteristics on the ethnic issue.

1. The scope of national relations has been expanded and the contacts between different nationalities have been increasing. Under the conditions of the market economy, productive factors and social resources are organized and distributed according to supply and demand changes and price signals. An inevitable result of this is a two-way flow of population between regions of Han and minority nationalities. Such a flow of population has not only changed the original national composition and distribution of local areas but also has changed the ratio and structure of population of local nationalities and enlarged the geography of national relations, thus enlarging the geography of nationality problems. Also, the frequent contacts between different nationalities, triggered by the market mechanism, have increased the opportunity for national conflicts and problems. Some such conflicts and problems are on economic interests. Many are reflected as problems of minority languages and writings, traditions and customs, and religions. Therefore, along with the establishment and development of the socialist market economic system, the occurrence of national problems will increase. We should also notice that as the contacts between different nationalities become more frequent and in-depth, the opportunity and area for different nationalities to understand and cooperate with each other will increase. The forming of an all-directional open situation and the function of market movement in China have caused money, talents, and developmental projects, which used to flow mostly toward coastal areas, to begin to flow in multiple directions. Some national autonomous regions such as Xinjiang, Guangxi, and Nei Monggol have not only secured a large number of domestic and foreign funds and projects but also vigorously invested in and built plants in inland areas, further developing the horizontal economic ties and economic cooperation between minority areas and inland provinces and municipalities and further strengthening the economic interdependence between the two. This has enabled the interdependent relationship between Han and minority nationalities to develop further in-depth under the socialist market economic system.

2. Minority regions desperately need to vigorously develop productive forces to narrow the gap. Due to historical, natural, and social reasons, a gap already

existed between minority regions and developed inland provinces and municipalities in economic and cultural development. After the implementation of the socialist market economic system, this gap appeared to be expanding. Because of this, under the condition of the market economy, minority nationalities and regions desperately need to vigorously develop their economy and culture to narrow the gap as soon as possible and achieve common prosperity of all nationalities. To do so, it is necessary, first, to demand that minority regions be given greater autonomy in regard to economic construction and management. Second, it is necessary to demand that minority regions be given greater power and authority of economic management in the areas of investment, banking, finance, foreign trade, taxation, interest rates, pricing, wage planning, and resource development. These are the most concentrated and prominent areas of current ethnic problems.

3. To solve the ethnic problems, we need to rely on the legal system. The socialist market economy relies on the law of economic activities itself for effective regulation. The guarantee for such regulation is the completeness of legislation. The development of ethnic issues itself also indicates that the solutions for ethnic problems should come from law. We have already formulated a series of relevant laws and decrees, which give us a legal basis for handling ethnic issues and facilitating the process of legalizing the solutions of ethnic problems. Of course, there is still much to be desired. For instance, some laws are not enforced, some are not enforced strictly, and some legal violations are not investigated. Some supporting laws and regulations have not been introduced. Some supervising mechanism is still imperfect, etc. This requires that we pay attention to ethnic legislation, further improve laws and regulations on the nationality issue, stress the importance of handling everything according to law, and ensure that laws regarding nationality are followed in social activities. We should also vigorously publicize legal knowledge, increase the awareness of the legal system regarding nationality, and use legal means to defend our lawful interests while voluntarily studying and abiding by the law. We should perfect the supervising mechanism for ethnic legislation to correct violations of the law.

Under the socialist market economic system, these characteristics of ethnic issues give us many inspirations for our current nationality work. Under the socialist market economy, we should pay great attention to the ethnic issue. We should stress and properly handle the contradictions in economic rights and interests between different nationalities and quickly narrow the gap between minority regions and developed provinces and municipalities to achieve prosperity of all nationalities. The

state should continue to use means of macroeconomic regulation and control to provide an appropriate slant toward minority regions in policies. Departments concerned and developed areas should, in accordance with the guidelines of the central government, adopt different methods to guarantee their assistance for minority regions. In the final analysis, it is up to the people of all nationalities in minority regions to develop the spirit of self reliance and hard work to increase their ability to develop their regions. In handling ethnic issues, departments concerned should use legal means and gradually reduce administrative intervention. This is the only effective way for us to solve the ethnic problem under the market economy and establish a stable social environment, thereby accelerating the construction of socialist modernization in China.

***Minority Female Cadre Training Urged**

95CM0319E Urumqi XINJIANG RIBAO in Chinese
26 May 95 p 8

[Speech by Gu-Li-Su-Mu Wu-Shou-Er (0657 7787 5685 2606 0710 1343 1422), senior instructor of Women's Cadre School of Xinjiang Autonomous Region: "We Should Pay Attention to Training and Selecting Female Cadres of Minority Nationalities"]

[FBIS Translated Text] Vigorously training and bringing up female cadres of minority nationalities is a crucial issue of immediate significance because minority female cadres are an organic component of minority cadres and because the development and progress of the cause of women who account for over one half of any nationality have a direct impact on the development of the nation as a whole. Because of this, party and government organs at all levels should make great efforts to train and bring up minority female cadres and consider it as an important part of minority cadre training as a whole. At the same time, they should adopt appropriate measures and policies.

1. Provide legal guarantees for the training of minority female cadres. In light of the enforcement of the "Law for the Protection of Rights and Interests of Women," we should formulate concrete plans, steps, methods, and measures for training of minority female cadres to ensure that women's lawful rights and interests are protected, institutionalized, and legalized.

2. Make great efforts to bring up large numbers of minority cadres and strive to achieve the goal of increasing the number of minority cadres to correspond with the ratio of same nationalities in the whole population of China and Xinjiang and the goal of increasing the number of minority female cadres to correspond with the ratio of women in the population of same nationalities.

3. Pay attention to raising the ratio of minority cadres in functional departments and make appropriate arrangements for minority female cadres in upper leadership positions and functional links. It is necessary to adopt various measures to perfect the contingent of minority female cadres, improve the quality of minority cadres as a whole, and boldly recommend those outstanding female cadres of minority nationalities to hold leading positions.

4. Vigorously increase the self-improvement ability of minority women. This requires that we strengthen the basic, higher, and adult education of minority women so that we can use positive factors to stop the negative factors which prevent minority women from going to school. We should use education to nurture the modern concepts of minority women and insist on improving the quality of minority women. At the same time, we should make great efforts to train female science and technology workers of ethnic backgrounds. In hi-tech industry, in particular, we need to build a contingent of minority personnel and a contingent of minority female managers. We should carry out this work in a well-planned and well-focused manner, give fully play to the important role of minority female cadres, and achieve the ultimate goal of common prosperity of all nationalities.

Northwest Region

Ningxia Chairman Presents Work Report

[Government Work Report by Bai Lichen (4101 4539 1820), chairman of the Ningxia Autonomous Regional Government, at the Third Plenary Session of the Seventh Autonomous Regional People's Congress in Yinchuan on 6 April]

[FBIS Translated Excerpt] I. Review of 1994 Work

1. In 1994, under the leadership of the CPC Central Committee, the State Council, and the Ningxia Autonomous Regional Party Committee, we conscientiously implemented the principle of "seizing opportunities, deepening the reform, further opening up, accelerating development, and maintaining stability," correctly handled the relations among reform, development, and stability, intensified reform and work, maintained sustained growth in the national economy, and made new progress in all social undertakings. Amidst social stability and unity among all nationalities, the region as a whole continued to march along the road of socialism with Chinese characteristics in reform, opening up, and modernization.

1. The National Economy Continues to Grow

The gross value of domestic products of Ningxia Autonomous Region reached 13.3 billion yuan, an increase of 8.2 percent over 1993, when calculated in comparable prices. The local revenue income was 717 million yuan, an increase of 22.7 percent over 1993, calculated on the basis of same parameters, surpassing the quotas set in the budget. The rural economy developed in an all-round way. Grain production overcame serious drought, and recorded 2.01 million tons in total grain output, making 1994 a year of second highest yield in the region's history. Oil-bearing crops, sugar crops, meat, poultry, egg, milk, fruits, and aquatic products all showed substantial increases. Animal husbandry sped up development. The total output of meat products was 96,000 tons, increasing by 17.9 percent. An area of 435,000 mu was afforested in 1994, a year of highest quantity and best quality since the "Eighth Five-Year Plan" period. Town and township enterprises continued to develop rapidly. Their gross output value was 4.2 billion yuan, an increase of 38.2 percent, fulfilling the "Eighth Five-Year Plan" one year ahead of schedule. Industrial production increased steadily. The increase in the industrial value of the region was 4.5 billion yuan, an increase of 9.6 percent over 1993. Major industrial products such as generating capacity, crude oil, aluminum, ferroalloy, chemical fertilizer, and tires all showed substantial increases. Industrial enterprises at and above the township level which have independent accounting paid 950 million yuan in taxes and profit delivery to the state, basically the same as 1993. The all-personnel labor productivity was up 14.8 percent. The growth rate and the production and marketing rate of state-owned industries were higher than the average national level of state-owned industries. Non-state-owned industries sped up development. Compared to 1993, its output value increased 22.1 percent and its ratio in total industrial output value also increased. Major projects progressed smoothly. Investment in fixed-assets reached 6.1 billion yuan, an increase of 15.8 percent over the previous year. Track-laying for Baoji-Zhongwei Railway was completed ahead of schedule, and the railway has entered the phase of temporary management and operation. A coordinating project to the railway, a 330 Kilovolt power transmission project, was also completed ahead of schedule. All projects of the Lingwu mining area have sped up. Under-the-line projects of the Dagui Railway have all been completed. The second phase of expansion project of the Dabai Power Plant has been unfolded in an all-round way. The Yingu first-class highway and Yinchuan Huanghe Bridge have all been completed and open to traffic. The Ningxia section of the Xilanwu optical fiber cables has been completed successfully. The Yinchuan city telephone expansion project has been completed. The Yinchuan city's

switchboard is capable of handling 153,000 telephones. The Yanhuangding pumping project and the second stage of the Hetao Comprehensive Agricultural Development Project has unfolded smoothly. Irrigation area has been increased by 76,000 mu, and 245,000 mu of low-and medium-yield fields have been improved. Major technological transformation projects such as the transformation and expansion of the Yinchuan Chemical Fertilizer Plant, the half-steel meridian tires of the Yinchuan Rubber Plant, the railroad and super-large bearings of the Xibei Bearing Plant, and the 10,000-ton special-shaped steel ropes of the Shizuishan Steel Plant have been carried out as planned, and some have been completed and put into operation. Marked progress has been made in the preliminary work of such major projects as the Hedong Airport of Yinchuan, the second set of large chemical fertilizer plants, the third phase of the Qingtongxia Aluminum Plant.

2. All Social Undertakings Have Made New Progress

The strategy of "revitalizing Ningxia with science and education" has been implemented in depth, and new achievements have been made in tackling key problems with science and technology, the torch plan, and the spark plan. A total of 152 major scientific and technological achievements won the Scientific and Technological Progress Award of Ningxia Autonomous Region. Of these achievements, 13.7 percent reached advanced international standards and occupied leading positions at home. The strategy of giving first priority to education has been implemented further. By the end of 1994, (nine-year) primary school-level compulsory education was popularized in 13 cities and counties. The "2-3-1 project" has been carried out continuously, and in-depth efforts have been made to wipe out illiteracy and ignorance of science and to sponsor training of useful technology. College, vocational, and adult education has been developed steadily. Teachers' housing conditions and compensation for teachers at schools run by local people have improved. Efforts have been made to standardize conditions for running elementary and middle schools. Family planning has made fresh progress. In 1994, birth rate was 1.967 percent, natural growth rate was 1.365 percent, fulfilling the state-decreed population plan. Medical care and health conditions have improved, and the ability to prevent and treat diseases and the medical and health standards have continued to improve. The Third Minority Nationality Sports Event of Ningxia Autonomous Region was held, and mass sports activities have become increasingly popular. Vigorously efforts have been made to conduct environmental protection education and law enforcement inspection. A total of 71 pollution control projects have been completed within the given time limit.

3. Spiritual Civilization and Democratic and Legal Construction Have Been Further Strengthened

"Outlines for Enforcement of Patriotic Education" has been implemented, and a variety of patriotic, collective, and socialist education was carried out. While literature, arts, radios, broadcasts, movies, news publications and social science undertakings persist in advocating the main melody of socialism, a number of outstanding works reflecting the spirit of the times and characteristics of various nationalities have been created. Some of them won national awards. Activities to improve the spiritual civilization of the masses of people have been carried out extensively, and new achievements have been made in regard to establishing civilized units, civilized townships and towns, and model cities (counties) with two supports. Activities to support the military and give preferential treatment to the families of army men have been carried out, further consolidating the unity between the military and the government and between soldiers and civilians. The Guidelines of the Second National Rally To Commend National Unity and Progress have been implemented conscientiously, and a great deal of work has been done in carrying out the party's policy on nationalities and religions, accelerating among all nationalities unity, and safeguarding social stability. Government organs at different levels have voluntarily accepted the supervision of the people's congress and its standing committee at their respective level and emphasized and supported the people's political consultative conferences, various democratic parties, and industrial and commercial federations in exercising their functions of political consultation and democratic supervision. A total of 529 proposals by delegates to the regional people's congress and CPPCC members were processed in 1994. New progress was made in government legal construction, and improvement has been made in administration according to law and supervision of law enforcement work. Successive achievements have been made in the anti-corruption movement. A general honesty and self-discipline education was conducted among cadres at and above the county and section levels. Over 320 cases of law and discipline violations were investigated and dealt with accordingly. The autonomous region improved social order in a comprehensive manner, severely cracked down on various kinds of serious criminal and economic offenses, eliminated various ugly social phenomena, and maintained social stability.

4. Urban and Rural People's Living Standards Have Improved

In 1994, the per-capita net income of peasants in the region reached 910 yuan, up 243 yuan from the previous year, an actual increase of 6.2 percent after allowing for inflation. This put an end to the 3 consecutive years of

stagnation in peasants' income in the region. The per-capita cost of living income of urban residents reached 2,658 yuan, up 751 yuan from the previous year, an actual increase of 11.7 percent after allowing for inflation. The savings deposits of urban residents increased 2.4 billion yuan. The supply of market commodities was abundant. The total volume of retail commodity sales reached 4.7 billion yuan, up 24.7 percent from the previous year. The living conditions of urban residents were further improved, and new achievements were made in the construction of infrastructure closely related to the people's living standards. Most cities and counties in the region had program-controlled telephone switch boards. The number of urban telephones reached 141,000, up 54.9 percent from the previous year. Every village in the rural area was accessible by telephones, 93 percent of villages and 89 percent of rural households had electricity, and Qingtongxia City, Wuzhong City, and Helan County realized rural electrification.

Nineteen ninety four was a year where Ningxia Autonomous Region took a decisive step in the reform of economic system. A new financial system focusing on the separate tax system has been established and is operating smoothly. Two separate tax organs, state and local, have been established and organized. The People's Bank changed its functions, specialized banks began to switch to the track of commercial banks, and banking departments vigorously supported local economic construction in the course of reform. Foreign trade enterprises took the golden opportunity of the merging of foreign exchange rates to speed up the change of their operating mechanism and vigorously expand exports. The region exported \$146 million, up 31.6 percent from the previous year. The amount of foreign capital the region actually utilized was \$42.69 million, up 15 percent from the previous year. In accordance with the arrangements of the State Council, the region carried out reforms in the circulation systems of chemical fertilizer, grain, crude oil, and finished oil products and strengthened the supervision and control of the prices and service charges of basic living necessities of the people. The enterprise reform was further deepened. Successful experiments were carried out in regard to grafting and transforming large and medium-sized state enterprises, bankruptcy and merging, and compensated transfer of small state enterprises. While the reform of economic structure was carried out smoothly, the reform of government organs was also carried out throughout the region.

Delegates, the achievements scored by our region in economic construction and social development are results of the people of all nationalities overcoming difficulties and working in unity. Here, on behalf of the autonomous regional people's government, I extend the

assurances of highest consideration and true appreciation to the broad masses of workers, peasants, intellectuals, and cadres who are working hard on all fronts, to the delegates of people's congress, CPPCC members, democratic parties, mass organizations, and personages from all circles who are providing supervision and support for the work of our government, to the People's Liberation Army, armed police and public security officers and workers, and to all comrades and friends who are wholeheartedly supporting the construction of Ningxia.

While affirming the achievements, we must clearly understand that some fairly prominent problems and difficulties still exist in the economic and social life of our region. The first one is excessively high inflation which has caused strong reaction from the masses. In 1994, we suggested that the inflation be kept under 10 percent or so. In spite of all the work we did, the increase in the retail prices was still as high as 20.6 percent. The increase in the price of food products was most obvious. Judged from the national environment, in 1994 the state initiated many price readjustments and adopted major reform measures that affected prices, including an substantial increase in grain and crude oil prices, introduction of a new tax system, and the merging of the dual tracks of exchange system, causing the overall level of prices to rise. Judged from the reality of our region, the price increase at the end of 1993 contributed to the inflation of 6.6 percentage point in 1994. Because the small output of farm products, the increasing demand of market, and the increase in the outflow of commodities stimulated the price increase of grain, meat, and vegetables, the general level of prices rose about 11 percentage points. Judged from work, price control was relaxed to varying degrees and price deception, cheating, and monopolizing activities were not supervised and controlled strictly, nor were they handled efficiently. The reserve and regulating system of major farm products was less than perfect. Without necessary means to regulate and control the market, it is very difficult for the government to effectively control inflation. Second, agricultural development still has some weak links. In recent years, agricultural investment was inadequate, water conservancy facilities were obsolete and in need of repairs, the ability to fight natural calamities was limited, the contingent to promote agricultural technology was unstable which affected sustained growth. Third, many state enterprises had problems in production and management and suffered serious losses. This can be attributed to such objective factors as heavy social burdens formed in the past and excessively high asset and debt ratios in addition to such problems as slow changes in mechanism, poor internal management, and lack of supervising and restraining mechanisms of en-

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terprise managers. Four, public security was relatively bad in some areas. The number of major criminal cases threatening people's life and property such as bombing, robbery, and homicide, was up. Ugly social phenomena such as drug use and trafficking and prostitution continued to exist in spite of numerous bans. The masses of people appealed desperately to increase the intensity of attacks at such activities. Fifth, many noteworthy issues exist in government work. Some comrades need to further liberate their thinking and support the enterprising spirit. Some are irresponsible for their work,

do not have a solid work style, are careless, shift responsibility, dispute over trifles, and practice bureaucracy and formalism. Some departments have serious problems with embezzlement, theft, unauthorized withholding, and bribery. A few cadres, who are dishonest, use their power to seek personal gains; they are corrupt, have damaged the image of government and have caused very bad reaction among the masses of people. We need to conscientiously solve these problems at work in the future. [passage omitted]

Taiwan Affairs Office Comments on Relations

OW0709141395 Beijing ZHONGGUO XINWEN SHE
in English 1118 GMT 6 Sep 95

[FBIS Transcribed Text] Beijing, September 6 (CNS)
— An official from the Information Bureau under the Taiwan Affairs Office today gave an exclusive interview to a CNS reporter.

When commenting on current mainland-Taiwan relations, the official said, Li Teng-hui had openly created "Two Chinas" or "One China, One Taiwan" by making a so-called "private visit" to the U.S. and was the cause of the tense relationship across the straits. The official stated that the vast majority of Chinese people, including Taiwan compatriots, strongly opposed acts calculated to bring about the independence of Taiwan and the break-up of the motherland.

In order to develop cross-strait relationships, the official added, the mainland government would adhere to the eight principles on the promotion of peaceful unification put forward by General-Secretary Jiang Zemin on January 30, 1995. According to the official, the of "One China" principal, which is the foundation for the development of cross-strait relationships, will be safeguarded. [sentence as received] Cross-strait non-governmental economic and cultural exchanges will continue to be promoted and Taiwan businessmen will be encouraged to invest on the mainland with their legitimate interests being protected by the laws.

Li's Views on National Unification Examined

HK0809080295 Beijing RENMIN RIBAO in Chinese
28 Aug 95 p 5

[By Di Xiangqian (5049 6272 0051): "Li Denghui's Lies and Daydream"]

[FBIS Translated Text] Li Denghui's [Li Teng-hui's] "pragmatic diplomacy," which is designed to split China, has evoked condemnation at home and abroad. Many people with breadth of vision on the island maintain that Li Denghui's undisguised design to create "two Chinas" or "one China, one Taiwan" has polluted cross-strait relations and led Taiwan compatriots into danger.

Though his policy came in for questioning, the political arena was plunged into confusion, the people felt disturbed, and the stock market plummeted, Li Denghui put on a show of calm and spoke frequently in his own defense. However, the more he indulged in sophistry in an attempt to fool other people with lies, the more his stubborn position was exposed.

First, Li said: "National unification remains the objective" of Taiwan's policy, "how can the program of na-

tional unification be a deceptive one," and it is my "consistent conviction" that "Taiwanese are Chinese." He had no sense of shame whatsoever when he said he had never tried to create "two Chinas" or "one China, one Taiwan." But his lies can never fool other people because they are contrary to the facts.

Shi Mingde [Shih Ming-te], chairman of the Democratic Progressive Party, who openly stands for "Taiwan independence," talked about his views in mid-July. Cited below are the principal ones: "Taiwan is a country with independent sovereignty"; "Taiwan asks to join the United Nations"; "the Kuomintang is in essence an alien political power"; "as far as education is concerned, many Taiwanese do not know where the Ai He is or how high Yushan is, but they know Taishan, the Outer Xingan Mountains, and the Gobi Desert. This is surprising. What is the use of such education?" What a striking similarity his remarks bear to Li Denghui's. The only difference between the two is that though both think alike, Li is glibly lying about his position on peaceful unification and one China in an attempt to hoodwink good and honest Taiwan people and lead them step by step down a dangerous path of splitting the country.

Second, Li Denghui said: It is necessary for the two sides to "stop being suspicious of and fighting each other, which is meaningless," "to give up ideological struggle," and "to enter into peaceful competition and preserve peace and stability in the Taiwan Strait." He talked as if it were a simple matter. Our struggle against Li's attempt at "Taiwan independence" concerns the fate of our country and nation, which is a major issue of principle, so it is in no way "meaningless suspicion" or purely ideological struggle. Li Denghui's attempt to "seek independence in the guise of favoring reunification" has been completely unmasked. More and more people have realized that it is Li's policy, which goes against the historical trend, that affects peace and stability in the strait.

Third, Li Denghui also deceived Taiwan people by saying: "Pragmatic diplomacy and cross-strait relations run parallel," "two parallel lines will not meet." But facts gave the lie to him. His "pragmatic diplomacy" is designed to foster "two Chinas" or "one China, one Taiwan," resulting in strained cross-strait relations and the postponement of the Wang-Ku and Tang-Chiao talks. When the foundation for "one China" and "reunification" has been undermined, it is impossible for cross-strait relations to develop smoothly. To restore the past auspiciousness and amiability fostered by the people on the two sides of the Taiwan Strait over many years, "pragmatic diplomacy" must be cast away at an early date. Many people, including people in Taiwan, have increasingly realized that the smooth development

of cross-strait relations has a great impact on Taiwan's economic development. It is Taiwan people that bear the brunt of Li's policy of "constantly escalating the cross-strait political conflict, which results in the two sides being at loggerheads."

Li Denghui recently said: "The more Taiwan pursues pragmatic diplomacy, the closer it is to national unification. If the Republic of China's sovereignty over Taiwan is recognized, Taiwan will be in a better position to hold talks with the mainland." This is his undisguised logic of "Taiwan independence." His "pragmatic diplomacy" aims at seeking "Taiwan independence" to confront the mainland. What does "unification" mean in his mind? He said: "National unification is conditional on a China enjoying freedom, democracy, and common prosperity"; "when will the Communist Party change? When they have changed, we can address the issue of unification. Without such a change, unification will be out of the question." This means that "instead of Taiwan being annexed by the mainland" in achieving national unification, Taiwan should annex the mainland, completely exposing Li's sinister plot.

To achieve this, Li Denghui has to pin his hopes on foreign forces. He lamented: Taiwan "finds itself in an almost isolated position in the world"; "Taiwan's biggest headache is that its sovereignty is not recognized"; "if we had diplomatic ties with 70-80 countries, the mainland would possibly be afraid of us." This is really Li Denghui's daydream! He spent a huge amount of Taiwan people's U.S. dollars and played dirty tricks before a few countries "established diplomatic ties with Taiwan." Can anyone deny history, strangle justice and dignity, and perform miracles by giving away a large amount of U.S. dollars? Reality has no mercy. The norms governing state-to-state relations and the requirements of international law must be observed. "To challenge the impossible" amounts to challenging the truth and reality. Like other diehards in the past, those who persist in splitting the motherland and opposing the people will meet with an ignominious fate and be cast aside by the people and history.

Li's 'Lining' Means Creating 'Two Chinas'

HK0809020595 Beijing RENMIN RIBAO in Chinese
1 Sep 95 p 11

[By Bi Haitian (4310 3189 1131): "The 'Lining' of 'Pragmatic Diplomacy' Is To Create 'Two Chinas'"]

[FBIS Translated Text] In recent years Li Denghui [Li Teng-hui] has been clamoring that he "wants the lining [li zi 6849 1311] rather than face [mian zi 7240 1311 (here a pun which also carries the meaning of "outer part")]" and to pursue so-called "flexible diplomacy" in

a big way. We can see how important the "lining" is to Li Denghui. Therefore, it is necessary for us to uncover Li's "lining" for all to see.

Let us leave aside the distant past for a moment and take Li's visit to the United States as an example. Prior to his departure, he laid bare his true feelings as "facing the future and challenging the impossible." He stressed that the most important thing of his "Cornell journey" was to highlight the existence of the "Republic of China [ROC] in Taiwan."

According to a senior Kuomintang [KMT] official, Li "has been working hard to go out and let everyone know the existence of the ROC. Therefore, whether he is called 'Mr. Li Denghui' or 'the president from Taiwan,' his identity is the 'president of the ROC.' Whether or not he is accorded head-of-state treatment such as a gun salute or the laying out of a luxury carpet, it is fine as long as he can go out. This is a pragmatic way of doing things between the ideal and reality."

It can be said that this statement has uncovered the "lining" of Li's "flexible, pragmatic diplomacy." People of good will will probably no longer believe that Li's "Cornell journey" was just "returning to school at the invitation of his alma mater to accept the 'Outstanding Alumnus Award' and make a speech at the Olin Chair lecture." Li professed that his U.S. trip was the "journey of the century" like that of "Neil Armstrong's ascent to the moon." Although he flaunted the banner of an "alumni get-together," the "lining" was his evil motive of creating "two Chinas" or "one China, one Taiwan"!

Li's U.S. visit, about which he was very pleased with himself, has been subjected to a wave of denunciation by people of foresight at home and abroad. Although Li keeps on saying that he does not care about "face," he nevertheless had to disguise it to cover up the "lining" of this trip.

As soon as he arrived at Taipei [Taipei] Airport from his "Cornell journey," he held a news conference at which he indulged in sophistry, saying: "This visit can be said to be a private one and a non-official one. All activities have been limited to and centered on the Cornell University campus." Therefore, he stressed, "the visit is absolutely not aimed at creating two Chinas."

Li's sophistry is pale and weak. This method, by which he exposes himself unwittingly while trying to cover up his tricks, is also ridiculous. "Judge people by their deeds, not just by their words." To be able to see clearly Li's "lining," it is necessary to see at a greater depth.

People still remember the long, confidential talk which Li had with Japanese writer Ryotaro Shiba on 31 March last year. In his conversation on "the sorrow of being

a Taiwanese," Li laid bare his political plot that had been "suppressed" in his heart of hearts. He called Taiwan an "alien land [wai hua zhi di 1120 0553 0037 0966]" of China, equated the KMT regime with an "external regime" of the Western colonialists, and put "Taiwan's identity" above "China's identity." He even said: "The term 'China' is ambiguous." "The two characters meaning sovereignty are dangerous words." He implicitly said that "classifying Taiwan Province as a province of the PRC is a very strange dream!" On 8 April this year, in his speech to the "National Unification Council," Li adopted a tactic of dwelling on the abstract while avoiding real issues in response to the eight-point proposal put forward by General Secretary Jiang

Zemin on developing cross-strait relations in the current stage and promoting reunification of the motherland. He sedulously stressed that "Taiwan and the mainland have been separately governed by two political entities not subordinated to each other, leading to a situation whereby the two sides of the strait are split and separately governed" in a bid to procrastinate on reunification, solidify and perpetuate the present temporary split between the two shores, and then achieve his aim of dividing sovereignty and creating "two Chinas" or "one China, one Taiwan."

In his speech at Tainan County prior to his departure for the United States, Li undisguisedly said: "The president can do what the Foreign Ministry cannot do. Whether it is 'vacation diplomacy' or 'ball game diplomacy [da qiu wai jiao 2092 3808 1120 0074],' the 'ball' must be served!"

Thus, it is not hard to see that, to pursue "two Chinas," Li is determined to serve the "ball" of "pragmatic diplomacy"!

Although he claimed he did not care much about "face," he was unable to overcome certain misgivings. He did not forget to hoist the fig leaf of "academic journey" and flaunt the banner of "private visit" in order to obstruct people's view and deceive some people of good will. But it is difficult to cover up his "lining," namely:

He wants to barter away his honor and ask foreigners to support and encourage him;

He wants to openly create "two Chinas" in the international community;

He wants to extricate the Taiwan authorities from their diplomatic predicament;

He wants to return to the United Nations under the name of "the ROC in Taiwan";

He wants to seek political advantage; to canvas votes for a future "presidential election"....

In the final analysis, Li wants to take the wrong path of splitting the nation!

However, some people from the Taiwan authorities have bashfully and repeatedly warned the media: "Do not approach this event from a political perspective."

Li himself also took up his self-exposing old trick by claiming that his U.S. visit was "by no means creating two Chinas" and that he "hoped communist China will not politicize it."

On the other hand, Li also said with some self-confidence: "Some people say that it is impossible for us to join the United Nations. We just want to challenge the 'impossible' and break the impossible."

It was precisely for the sake of "breaking the impossible" that Li did not stint spending large sums of money and used the academic forum of Cornell University to peddle the "Taiwan experience," to curry favor with and make up to the anti-China forces in the U.S. Congress and Government, hoping that these people will again offer "the warmth of 'a friend in need'."

Setting out on the so-called "Cornell journey" in a "low-key manner" means seeking the help of external forces and "exerting one's utmost efforts to 'challenge the impossible'."

People with foresight give this a snort of contempt. As someone on the island puts it, "our present policy is undoubtedly one of the closer to the United States the better. People seem to forget that the United States often adjusts its tactics even toward great powers with which it has official diplomatic ties and tries again and again to control commercial affairs, environmental protection, arms deals, human rights, and international sports. Given our strength and the situation we are in and viewed from a near- or long-term point of view, how can we put most of our chips on one country or pin our wishful thinking on the United States?"

Li's "Cornell journey" ended in a hurry amid a wave of denunciations. However, Li has not halted on the path of splitting the nation. He seemingly is not so sure about his prospects on this path either. Just as he put it: "There may be a broader prospect but the future situation may also be narrower."

People can assert categorically that, with regard to Li's path of splitting China, it is impossible for it to lead to a "broader prospect," but only to a blind alley bringing ruin and disgrace to himself. Not only is Li walking along this blind alley but he also wants to draw Taiwan people into this blind alley. The Taiwan people should be on guard against this. There is an open road leading to the peaceful reunification of the country and there is a

blind alley leading to the splitting of China. What course to follow—that is a question people should ponder!

Article Views Li Teng-hui's Cornell Speech

HK0809074495 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Aug 95 p 5

[Article by Yu Zhanchi (0060 0594 3069): "A Statement Which Goes Against People's Desires — Fallacies of Li Denghui's Speech Made at Cornell University as Viewed From the Facts"]

[FBIS Translated Text] In June this year, Li Denghui [Li Teng-hui] of Taiwan made a "private" visit to the United States, and delivered a speech entitled "The Desires of the People Are in My Heart" at his alma mater, Cornell University, to advocate splitting the motherland. As a cadre in the Taiwan Affairs Office, I was very angry to hear it. I cannot help using what I have seen and heard in my work in the Taiwan Affairs Office to expose the fallacies of Li Denghui's speech.

I started working with the Taiwan Affairs Office in Datong City in August 1980. I have been working there for fully 15 years. Over the past 15 years, I have experienced the work of implementing the policy for relatives of Taiwan compatriots, helping them get rich, making arrangements for Taiwan compatriots to return to their native places to worship their ancestors, organizing relatives of Taiwan compatriots to go to Taiwan to visit their family members who are sick or attend the funerals of their parents or grandparents, helping Taiwan compatriots travel and make inspection tours on the mainland, and make investments and build factories... I have been deeply moved by the affection, kinship, and nostalgia of the compatriots on the two sides of the strait. I have been inspired by cross-strait economic exchanges and various kinds of contacts. I have also been encouraged by the desire of the kinsfolk on the two sides of the strait for family reunions, the three exchanges, and reunification. However, in his speech delivered at Cornell University of the United States, Li Denghui wantonly peddled the stuff of the "Republic of China in Taiwan," and was frenziedly engaged in the activities of creating "one China, one Taiwan," and "two Chinas" to split the motherland. He called it by the fine-sounding name of "having the desires of the people in my heart." He has truly gone against people's will and defied their desires.

What are the desires of the people? Over the past 15 years, I have learned from Taiwan compatriots and their family members with whom I have been in contact that they have strong common desires: early family reunions, three exchanges between the two sides of the strait, and the reunification of the motherland. I still remember that

in the early 1980's, cross-strait relations began to relax. Although people on the two sides of the strait could not meet each other, they were able to communicate through other countries or regions. Those smiling faces after receiving letters from their relatives in Taiwan and those letters sent from Taiwan through other countries or regions were imbued with the deep affection and feelings of the people on the two sides of the strait. A mainland living in Taiwan wrote in his letter: "I left home several years ago. I do not know whether my parents are still living and in good health. If they are still living, I hope that my younger brother will look after them on my behalf. If they are no longer living, I hope that my younger brother will buy some imitation money and burn it, on my behalf, in front of the tomb of my parents..." A 70-year-old relative of a Taiwan compatriot had an eccentric character. Since he could not recover from a prolonged illness, he had always been in a bad mood. He arbitrarily refused to take any medicine. However, after receiving a letter from his younger brother in Taiwan, he always took his medicine on time in the hope that he would be able to meet his younger brother. In 1984, a Taiwan compatriot wrote a poem for his younger brother who was working in a cultural hall of Youyu County in Shanxi Province: "Winter comes after autumn, and swallows are flying north. Our hearts are linked together, although we are separated by rivers and mountains. When the days of merging rivers and mountains into a whole come, I will return home from the sea, brushing off the dust which settled on me during the journey." In response, his younger brother also wrote a poem: "Geese are making efforts to fly high. Though we are living apart and see little of each other, there will be a jubilant day in which we remove together the dust which settled on us during the journey. From afar, I hope that my elder brother and sister-in-law will return home soon!" Each and every line and word of these family letters are imbued with strong feelings of nostalgia, missing one's relatives, longing for family reunions, and looking forward to reunification. These are precisely the common desires of kinsfolk on the two sides of the strait. Can Li Denghui understand such desires of the people?

Profound brotherly affection and warm blood encourage some Taiwan compatriots to break the fences erected by Taiwan to return to the motherland by making a detour in order to meet with their relatives or worship their ancestors on the mainland. In May of 1986, a Taiwan compatriot returned to his native place through Geneva to visit his relatives. He said: "I am nearly 70 this year. If they put me in jail because I went to the mainland to visit my relatives, I will tell them: If you do not let me return to the mainland to see my native place and relatives who gave birth to and brought me up,

this means you are unfeeling and unreasonable. You will then lose public support. In the past, I used to say that Chiang Kai-shek and his 8 million troops were utterly defeated by the Eighth Route Army. Why? It was because they had lost public support. Today, if they do not let people return to their native places to visit their kinsfolk, they will also lose public support. These are the desires of Taiwan compatriots of longing for their relatives, native places, and motherland. Do Li Denghui's "people's desires" include all these?

Spurred by the common desires of the people on the two sides of the strait, in September 1987 the Taiwan authorities allowed Taiwan people to go to the mainland to visit their relatives. Family reunions of the kinsfolk on the two sides of the strait could then be realized, and cross-strait economic exchanges and other kinds of contacts have increased day by day. Due to the lack of direct "three exchanges," Taiwan compatriots must spend more time and money in their cross-strait trips through Hong Kong. They hope that the three exchanges between the two sides of the strait will be realized soon, so that they can spend less time and money on returning to the mainland to set up factories. This will enable them to increase efficiency, promote common prosperity, and increase national strength. All these are the common desires of Taiwan people. Does Li Denghui value Taiwan compatriots' money earned by their hard toil?

To sum up, what are the desires of Taiwan people? Their desires are family reunions, the three exchanges between the two sides of the strait, and the reunification of the motherland, rather than separation, division, splitting, and Taiwan independence. However, not long after the realization of cross-strait contacts resulting from common efforts made by people on the two sides of the strait, Li Denghui has disturbed people's minds. Common people are aware that some persons in the West do not like to see a strong China. They have recently concocted the "China threat theory," trying to split and contain China. Li Denghui has been obsessed with his selfish interests and persisted in his wrong course. In addition, using the name of "Republic of China," he clamors for rejoining the United Nations. Such a perverse act of defiling public opinion can never be tolerated by the people on the two sides of the strait, and has been strongly opposed by the majority of member states which uphold the UN Charter and by the entire Chinese people, including Taiwan compatriots. Li Denghui is bound to lose all his standing and reputation, and become a person who stands condemned through the ages for going against the desires of the Chinese nation.

Editorial Views Li's Election Announcement

HK0809013295 Hong Kong TA KUNG PAO
in Chinese 28 Aug 95 p A2

[Editorial: "Li Teng-hui Has Intensified Taiwan's Internal Contradictions"]

[FBIS Translated Text] Li Teng-hui announced last week that he would run in the "direct presidential election," openly going back on his promise "not to run for a second term" made on several occasions. With his manipulation, the second plenary session of the 14th Kuomintang (KMT) Congress adopted the motion that "candidates for presidency be elected by representatives of party members," rejecting the proposal that candidates be nominated by the entire party membership. The Taiwan media pointed out that Li's high-handed policy would further split the KMT. Chen Lu-an and Lin Yang-kang, both important members of the KMT, announced in turn their decision to withdraw from the party and inner-party preliminary election and to stand in the presidential election on their own. Facts show that to split the country, Li Teng-hui has first brought about Taiwan's internal disunity and undermined social stability. He is pushing the people of Taiwan to the dangerous edge of an overhanging cliff.

The "direct presidential election" arranged by Li Teng-hui represents a step in his design to split Chinese sovereignty. This is totally absurd as a political concept. Since Taiwan is a province of China, universal elections on the island can only return a governor or other members of provincial-level organs, not a president. Li's intent is plain to all: He in fact wants to act as "president of the Taiwan State." He said earlier that "sovereignty lies in the people" and deliberately limited the "people" to the 21 million compatriots residing in "Taiwan, the Penghu Islands [Pescadores], the Jinmen Islands, and Mazu Island. Under his plan, following the "direct presidential election" due in March next year he will change the "name of the state" and declare Taiwan independence in a similar way, namely, through seeking "a decision by the people."

Li Teng-hui's political attempt to split the country basically goes against the will of the Chinese nation, so it is unlikely to gain popular support on Taiwan island. Since he could only rely upon representatives of KMT party members controlled by him to nominate candidates for the presidential election and dared not allow the entire party membership to do so in a democratic way, how can he be confident of enjoying the genuine support of the majority of the Taiwan people? Thus he has to play tricks and will stop at nothing in attacking and suppressing his rivals to "win the presidential election." He will then arrogate all

powers to himself and contain opponents to fulfill his pipe dream of "independence." Through many years of political maneuvering, including fostering adherents and putting his trusted followers in key positions, Li Teng-hui has kept the KMT party, government, military, secret service, and finance under his control and thus put himself in an almost unrivalled position. The inner-party preliminary elections have yet to begin, but he has applied pressure upon his rivals. According to yesterday's report, after announcing his decision to stand in the presidential election, Chen Lu-an had his radio program suspended; people in show business and industrial and commercial circles indicated they did not dare to openly support him; his son was tailed by special agents; and "white terror, namely the malpractices of beating, intimidating, tracking, and monitoring, have resurfaced."

What Li has done may have a more extensive impact on Taiwan society in the future. In the past, to attain his political objective, Li did not hesitate to arouse popular dissatisfaction, so he will instigate antagonism and sharpen existing contradictions in the future. Usually Taiwan natives and residents from other provinces have identical interests. As Taiwan natives account for the majority of voters, Li as a Taiwan native has long used the difference in Taiwan residents' origins to his advantage. To create a political confrontation between Taiwan and the mainland, Li launched malicious verbal attacks on China and once said that he would lead Taiwan people in building up their own "country," following the example of Moses, who organized the Exodus. Over the last few years, the contradictions in Taiwan arising from differences in residents' native places have never eased, while violent clashes between different factions backed more or less by residents of different origins have erupted time and again. This situation endangers Taiwan's social stability. If the contradictions are not alleviated but instead are artificially intensified, the consequences will be very grave. So the people on both sides of the strait are concerned about the situation. Wars in many places abroad have told us: The turmoil was more often than not aroused by a few people in power, who tried to win the election as a representative of a certain group of people by instigating antagonism and then fishing in troubled waters. But the seeds of hatred they sowed resulted in endless wars.

Li Teng-hui's deeds have brought great danger to Taiwan compatriots. Taiwan's future is worrisome. On the eve of the Spring Festival this year, Chinese President Jiang Zemin emphasized in his speech: "The 21 million people in Taiwan are Chinese, compatriots, and brothers and sisters, no matter whether they are Taiwan natives or come from other provinces." He stated the need to

protect all normal rights and interests of Taiwan compatriots, "care for their interests, and help them solve their difficulties as best they can." If Li Teng-hui continues to follow the path of splitting the motherland and thus brings disaster to Taiwan compatriots, the Chinese Government and Chinese people will certainly not sit by and watch.

KMT Vice Chairman Lin Views Relations

HK0809013795 Hong Kong WEN WEI PO in Chinese
4 Aug 95 p A2

[Dispatch from Taipei by Staff Reporters Chang Chien-hua (1728 1696 5478) and Lin Hsu-chiang (2651 2485 3068): "Lin Yang-kang (2651 3152 3263) Analyzes Strained Cross-strait Situation in Exclusive Interview with WEN WEI PO"]

[FBIS Translated Text] "It takes more than one cold day for the river to freeze three feet deep." Lin Yang-kang, the gentle and soft-spoken senior counselor to the "president," and vice chairman of the Kuomintang, gave a detailed analysis of tension over the Taiwan Strait when he met our reporters in the office of his foundation yesterday. It was the first time this Taiwanese political heavy weight was interviewed by the Hong Kong media.

"It is actually quite common for an alumnus to visit his alma mater. In my opinion, the visit has aroused such strong reaction from the mainland partly because of Mr Li Teng-hui's position as 'president' and partly because of his previous words and deeds. Even the people of Taiwan are a bit suspicious." The 68-year-old Lin Yang-kang, or "Uncle Kang," has quite a good reputation in Taiwan. He enumerated the reasons one by one. "'President' Li has always been rather ambiguous and equivocal about unity and independence. This is particularly true in his discussions with the Japanese writer Ryotaro Shiba. Remarks like 'sovereignty over Taiwan is still undecided,' 'the Kuomintang regime is a foreign regime,' and 'the Kuomintang is only two years old' have increased the suspicion of the mainland authorities about his ideas of country and nation. Thus, I think that the tension in cross-strait relations is nothing more than a general reaction on the part of the mainland authorities to Mr Li's words and deeds."

Although both are top Kuomintang leaders, Lin Yang-kang differs from Li Teng-hui in the way he views the missile exercise. Li Teng-hui openly stated that the missile tests conducted by the mainlanders are nothing to fear and that the Kuomintang troops are "capable of dealing with whatever situation." He even hinted in deliberately ambiguous language that Taiwan would develop its own nuclear weapons. Lin Yang-kang solemnly pointed out that as a Chinese, he did

not wish to see armed conflicts between the two sides of the Taiwan Strait. The reason is simple. Once war breaks out, public morale will crumble, foreign investors will pull out, local funds will leave in a swift exodus, and Taiwan's vitality will be slowly smothered. The \$100 million held by the Taiwan Government in foreign exchange reserves, which have been so laboriously built up by the people of Taiwan, will end up in smoke....

Thus, Lin Yang-kang expressed his belief that Taiwan should not do or say anything to further infuriate or harm the mainland authorities. "For example, we should not try to seek re-entry into the United Nations. The United Nations have countries as units. In going all out to push for re-entry, we are obviously working for 'two Chinas' or 'one China, one Taiwan.' How can the mainland authorities agree to this." On the other hand, Lin Yang-kang hopes to see greater prudence on the part of mainland China in its handling of Taiwan.

Lin Yang-kang did not deny the presence of the threat of Taiwanese independence repeatedly pointed out by the mainland authorities. He said: "Of course there are people who advocate independence for Taiwan. I am resolutely opposed to Taiwan's independence." He pointed out: "The Democratic Progressive Party (DPP) is a party for the independence of Taiwan. Its party program clearly spells out that its aim is to achieve independence for Taiwan. The DPP has secured about 30 percent of votes in elections in recent years. Last year they even suggested a new title, national anthem, and national flag for Taiwan. These are proof of the presence of pro-independence forces in Taiwan." Uncle Kang was obviously quite worked up as he said this. "Taiwan has always been part of China. When the Japanese surrendered in 1945, Taiwan returned once again to the embrace of China, and not a single country in the world voiced its objection. Despite changes in the titles of dynasties in the past 5,000 years, China and the Chinese nation have always been an independent existence geographically and culturally. At no time and under no circumstances will we Chinese will ever betray our nation."

Lin Yang-kang told reporters that his ancestors were originally from Kaifeng, Henan Province, but moved to Fujian in later generations. About eight generations before him, his ancestors left Shibishi in Longqi County and settled in Taiwan, where they have been living for more than 200 years. The ancestor who led the move to Taiwan was Lin Tien-lai (2651 1131 0171), and the family tree is clearly remembered by each generation. The roots of the family are on the China mainland. This is something which will never change. When asked whether he wished to go search for his roots on the mainland, Lin Yang-kang said: "Of course I wish to go.

Regrettably, this is not permitted by our regulations. Sometimes when I visited countries like America or Europe, I deeply regretted not being able to visit China. However, I believe that the situation between the two sides of the Taiwan Strait will take a turn for the better one of these days. I hope that one day I will be able to set foot on the mainland for the first time."

Article Condemns Attempts To Re-Enter UN

HK0809020395 Beijing RENMIN RIBAO in Chinese
1 Sep 95 p 11

[Article by Gu Huaming (0657 5478 2494): "Taiwan Authorities' Conspiracy To 'Re-enter the United Nations' Is Doomed To Failure"]

[FBIS Translated Text] China's legitimate seat in the United Nations should have belonged to the PRC since it was founded in 1949. As East and West were in the Cold War period, the United States and other Western countries, which pursued policies hostile to China, enforced a longstanding blockade and embargo on China as well as unwarrantedly obstructing the resumption of its legitimate UN seat. Hence, the Taiwan authorities were able to illegally occupy it for 22 years. After a long period of arduous struggle, the 26th UN General Assembly passed Resolution 2758 by an overwhelming majority in 1971. This resolution unequivocally corrects an artificially distorted historical fact, that is, it "recognizes the representative of the PRC Government as China's sole legitimate representative in the United Nations," and says that "the PRC is one of the five permanent members of the UN Security Council." In accordance with this resolution, China resumed all its legitimate seats and rights in the United Nations and its organizations. At the 26th UN General Assembly, a handful of countries put forward a draft resolution on so-called "dual representation." Opposed by China and the majority of countries, this motion became invalid before it was voted on. Thus, the issue of China's representation in the United Nations was resolved justly and completely in terms of politics, law, and procedure.

Since Li Denghui [Li Teng-hui] took power, the Taiwan authorities have intensified their "flexible pragmatic diplomacy" in a bid to achieve the status of "an independent political entity" on an equal footing with China. Li has abandoned the "one China" principle in a step-by-step manner and attempted to create "two Chinas" or "one China, one Taiwan" in the international community. His clamor for "re-entry into the United Nations" is most conspicuous.

This is the third year since the Taiwan authorities clamored for "re-entry." In 1993, the Taiwan authorities instigated seven Central American countries (all were

"nations having diplomatic relations" with Taiwan) to put forward a motion, which was rejected without the UN Steering Committee going to a vote. Before the UN General Assembly was held, the Chinese mainland issued a white paper on the "Taiwan Issue and Reunification of China," which played an important role in crushing the conspiracy of Taiwan's "re-entry." Last year, the Taiwan authorities again used large sums of money to buy off and instigate 15 countries, including Nicaragua, to put forward a motion on the so-called "representation" of the "Republic of China on Taiwan" in the United Nations. To achieve this end, the Taiwan authorities lobbied and handed out money everywhere. While exposing and criticizing the Taiwan authorities' moves to flagrantly create "two Chinas," or "one China, one Taiwan" through "re-entry into the United Nations," we denounced some countries' despicable acts of serving as spokesmen for Taiwan and of willfully interfering in China's internal affairs. We won victory in this struggle also. This year, Taiwan has put more human and financial resources into "re-entering" the United Nations. Prominent figures from the Taiwan authorities personally instigated Nicaragua and the Solomon Islands to take the lead in circulating letters from Li Denghui and Qian Fu [6929 1788] in the United Nations, to wantonly disseminate the "parallel representation" fallacy, to attack Resolution 2758 of the UN General Assembly as "a product of the Cold War" and "outdated," and to claim that document 2758 only resolved the issue of mainland representation but not the representation of the 21 million people in Taiwan. The Taiwan authorities have even shamelessly and blatantly pursued "money diplomacy" by offering \$1 billion for UN membership. An insult to the UN Charter and the vast numbers of member states, their trick will certainly be despised by all countries that uphold justice. The perverse acts of the Taiwan authorities are bound to be opposed resolutely by member states which safeguard the charter and the sanctity of the UN General Assembly resolution, as well as the 1.2 billion Chinese people, including Taiwan compatriots.

As is well-known, the United Nations is a governmental international organization that comprises sovereign states. Article 4 of the "UN Charter" stipulates clearly that only sovereign states are entitled to be UN member states. Taiwan, which is a province of China, is not qualified to join the United Nations at all, let alone apply the "principle of universality of membership." As the Taiwan issue is China's internal affair and is in essence different from the German and Korean issues arising from international agreements after World War II, the two cannot be mentioned in the same breath.

Without doubt, the Taiwan issue is purely China's internal affair, in which no country has the right to meddle. For whatever reason or in whatever form, raising the issue of "Taiwan's representation in the United Nations" is a serious violation of China's sovereignty and gross interference in China's internal affairs, to which the Chinese Government and the entire Chinese people are resolutely opposed. The Taiwan authorities' clamor for "re-entry into the United Nations" is in essence to create "two Chinas" or "one China, one Taiwan" in the world so as to contend with China by internationalizing the Taiwan issue. We must wage a tit-for-tat struggle against the sinister acts of "Taiwan independence" and splitting the motherland. The Taiwan authorities' conspiracy is doomed to failure.

Official Reassures Taiwan Investors of Protection
OW0709143195 Beijing XINHUA in English
1331 GMT 7 Sep 95

[FBIS Transcribed Text] Shenzhen, September 7 (XINHUA) — A senior Taiwan affairs official reiterated that the rights and interests of Taiwan investors in the mainland would be protected under any circumstances.

Chen Yunlin, deputy director of the Taiwan Affairs Office of the State Council, said at a discussion with Taiwan investors here Wednesday [6 September] that their rights and interests would not be harmed no matter what happens across the Taiwan Straits.

"Taiwan investors in the mainland have promoted the exchanges between people on the two sides of the Taiwan Straits, strengthened their mutual understanding, and made contributions to the cause of the peaceful reunification of the motherland," he said.

Shenzhen Special Economic Zone is one of the places Taiwan investments have been concentrated on in the mainland. Taiwan-funded enterprises in the zone have numbered nearly 2,000, with arrived investment totalling 1.6 billion U.S. dollars.

Chen said after his inspection of several Taiwan-invested companies that preferential policies will continue to encourage Taiwan investment.

"We hope that Taiwan investors would not be worried and continue with their investment and other businesses in the mainland," he said.

Zhejiang Art Troupe To Visit Taiwan
OW0709145095 Beijing XINHUA in English
1427 GMT 7 Sep 95

[FBIS Transcribed Text] Hangzhou, September 7 (XINHUA) — An art troupe composed of the disabled people

in east China's Zhejiang Province will visit Taiwan later this month at the invitation of the Cultural and Educational Foundation of Chunyang Corporation of Taiwan.

The Zhejiang Provincial Art Troupe of the Disabled People, founded in 1989, will be on a performance tour of Taipei, Kaohsiung and Keelung between September 13 to 23, according to the Zhejiang Provincial Federation of the Disabled People.

The amateur troupe is formed by 20 actors and actresses from special schools for the disabled and welfare factories in the province. They have visited Japan, Thailand and the Republic of Korea.

Mainland Fishermen Detained; Detonators Found
OW0709125395 Taipei LIEN-HO PAO in Chinese
5 Sep 95 p 7

[FBIS Translated Text] On 3 September, Matsu's amphibious force "Hailung" intercepted a mainland fishing boat, the Min-lien Fish 7030, alleged to have intruded into Matsu waters, and found 50 explosives and 124 detonators on board. Yesterday, the military police unit sent the 16 mainland fishermen to the Lienchiang County's procurator's office under the Kinmen (Qemoy) Procuratorate for further investigation. Following questioning, the procurator ordered the 16 mainland fishermen to be detained.

It was noted that on the afternoon of 3 September, Matsu's amphibious force "Hailung" dispatched two armed speedboats to step up the patrolling of our waters. A suspicious mainland fishing boat, the Min-lien Fish 7030, was found near the Liu-chua Reef at 1540 hours. After intercepting and inspecting the boat, the amphibious force found 50 explosives and 124 detonators on board. The fishing boat and the 16 mainland fishermen on board were brought back to the military police unit for processing. The military police unit sent the 16 fishermen to the Lienchiang County's procurator's office under the Kinmen Procuratorate for investigation at 1430 hours on 4 September.

Procurator Chou Tan-yi pointed out: All 16 mainland fishermen said they did not know why there were explosives and detonators on board. Because they intruded into the Matsu waters in violation of the regulations on security guidance for Kinmen and Matsu, they were detained after questioning. Further investigations will be conducted to check whether or not they were involved in other unlawful practices.

The Min-lien Fish 7030, a 20-ton boat, was equipped with communications apparatus. Only eight of the 16 fishermen on board possessed crew member identification cards. When the boat was intercepted, its fishing gear was in apple pie order and the deck was neat. This shows that they had not yet used explosives to fish. This boat is being detained in Nankan's Fuao Port.

Taiwan Willing To Accept Jiang's 8-Point Speech
OW0809063995 Taipei CHUNG-YANG JIH-PAO
in Chinese 7 Sep 95 p 2

[FBIS Translated Text] Through the information bureau of the Taiwan Affairs Office under the State Council, the Chinese Communists said yesterday that the mainland will continue to promote cross-strait relations, according to Chinese Communist General Secretary Chiang Tse-min's [Jiang Zemin] eight-point statement and viewpoints.

Both the Mainland Affairs Council (MAC) and the Strait Exchange Foundation (SEF) were unwilling to comment on the remarks yesterday. However, an administrator familiar with cross-strait affairs said our side is willing to accept Chiang Tse-min's eight-point statement, which is the mainland's Taiwan policy baseline.

In an interview with a China News Agency (CNA) reporter yesterday, a responsible official from the Taiwan Affairs Office, who remained anonymous, explained Peking's [Beijing] stance on the current state of cross-strait relations and ways to restore them. This was the first response by the Chinese Communists since President Li Teng-hui suggested combining his six-point speech with Chiang Tse-min's eight-point statement as a basis of promoting cross-strait relations, at a ceremony marking the 50th anniversary victory in the War of Resistance Against Japan and the 41st Military Day on 3 September.

The administrator familiar with cross-strait affairs said: Our side has recently endured great pressure because of strained cross-strait relations. However, some people optimistically predict that after the UN World Conference on Women, the Chinese Communists will soften their attitude toward Taiwan, and cross-strait relations will be eased gradually.

Wu Reaffirms Commitment to Reunification
OW0709122095 Taipei CNA in English
0947 GMT 7 Sep 95

[By Victor Lai and Flor Wang]

[FBIS Transcribed Text] Tokyo, Sept. 6 (CNA) — Wu Poh-hsiung, secretary-general to the Republic of China (ROC) president, said here Wednesday that Japan should treat all members of the Asia-Pacific Economic Cooperation (APEC) forum equally.

Wu made the remarks when answering questions from reporters on the issue of Taiwan's presence at the November APEC leadership summit in Osaka. He stressed that the ROC Government will continue expressing its firm stance on the matter to the regional economic organization through all channels.

Japan is expected to follow the precedent set during the APEC leaders' summits held in Seattle in 1993 and Bogor in 1994, respectively. That is, sending an invitation to ROC President Li Teng-hui on the condition that he sends an economic official to represent him at the meeting.

Wu also told reporters that Taiwan will stick to its ultimate goal of reunification of China, expressing the hope that the two sides of the Taiwan Strait can boost

cooperation and communication in order to facilitate eventual reunification.

As the ROC Government will not seek Taiwan's independence, Wu called on the Mainland Chinese side not to misunderstand President Li as Li is consistent in deeds and words in the national unification issue.

Wu pointed out, however, it is unfair that Taiwan's 21 million people are deprived of a rightful representation in the international community. He urged Mainland China not to boycott Taiwan in the international arena because Taiwan's hope of playing a more active international role is not at odds with its pursuit of national unification.

Wu, who arrived in Tokyo Tuesday to attend the funeral of former Japanese Prime Minister Takeo Fukuda, is scheduled to return to Taipei Thursday.

Mainland Urged To Take Steps To Promote Ties

OW0809061295 Taipei CNA in English

0148 GMT 8 Sep 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Sept. 7 (CNA) — Taiwan on Thursday cautiously welcomed a mainland official's statement Wednesday that measures will be taken to continue to promote economic and cultural exchange across the Taiwan Strait, and safeguard the interests of Taiwan investment on the mainland.

William Li, director of the Mainland Affairs Council's (MAC) Department of Information & Liaison, said, "the MAC basically welcomes the statement, but hopes concrete steps will be taken by mainland authorities."

Li was responding to the statement by an official of the Information Department of the Taiwan Affairs Office under Mainland China's State Council.

When asked to comment on the current state of Taiwan-mainland relations and ways to restore the development of ties, the mainland official said Beijing will continue to promote the development of bilateral ties "in accordance with the eight-point proposition for the peaceful reunification of the motherland," which was put forth by Mainland Chinese President Jiang Zemin on Jan. 30.

Li said that as a matter of fact, President Li Teng-hui last Sunday again pointed to his own six-point statement and Jiang's eight-point proposition, saying that on the basis of these, discussions can be held to thrash out differences.

Li also defended the ROC [Republic of China] Government's pragmatic diplomacy, which Beijing considers to

be Taipei's plan to create either "two Chinas" or "one China and one Taiwan."

"Seeking greater room for the country in the international community is a must for our existence and continued development," Li said, adding that it is also the common aspiration of the 21 million people in Taiwan.

Paper Cited on Taiwan's Quest for Committee Seat *OW0709130895 Taipei CNA in English* *0916 GMT 7 Sep 95*

[By Sherman Wu]

[FBIS Transcribed Text] Hong Kong, Sept. 7 (CNA) — Taiwan wants to have a seat on the Hong Kong Preparatory Committee to see how the "one country, two systems" policy will work in Hong Kong, according to the EASTERN EXPRESS newspaper.

Susie Chiang, a local representative of Taipei's Government Information Office, said it was necessary for Taiwan's voice to be heard in the body, which is responsible for establishing the special administrative region in the territory.

She said that Hong Kong's return to Communist China is an important event for all Chinese, and that Taiwan would see it as an example of what lay ahead with the eventual unification of China.

The preparatory committee will be set up in January next year with a membership of 150, 60 percent of whom will be from Hong Kong and the rest from Mainland China.

Chiang, the head of the Kwang Hwa Information and Cultural Center in Hong Kong, said if Taiwan was allowed one or two seats in the committee, the representatives should be chosen from among the Taiwanese community in Hong Kong, not Taipei government officials.

"There are quite a lot of Taiwanese citizens living and working in Hong Kong and they need somebody to represent their interests," she said.

Chiang said no Communist Chinese officials had discussed the matter with them and they had not decided whether to make their interest clear.

But Chiang doubted whether Communist China would allow Taiwan influence in the body.

"When president Li Teng-hui called for the two sides to jointly maintain the prosperity of and promote democracy in Hong Kong and Macau, Beijing bombarded him with criticism. How can we expect our voices to be heard in the preparatory committee?" Chiang said.

On Wednesday, a senior official of the mainland State Council's Hong Kong and Macau Affairs Office refused to say if Taiwan's request to join the preparatory committee would be met.

However, a close adviser to the mainland said that Beijing would be obliged to offer Taiwan a seat if it so requested.

He said because the resumption of sovereignty of Hong Kong was a country-wide matter Mainland China would be hard pressed not to give a seat to anyone who claimed a legitimate interest in joining the preparatory body.

"How could Beijing refuse a seat for Taiwan if they so request? This will above all be a manifestation of 'one-country'," he said.

Officials To Attend Hong Kong APEC Meeting

OW0809054095 Taipei CNA in English
0121 GMT 8 Sep 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Sept. 7 (CNA) — Republic of China [ROC] officials will attend the fourth senior officials meeting under the framework of the Asia-Pacific Economic Cooperation (APEC) forum in Hong Kong.

Board of Foreign Trade Director-General Lin Yi-fu and Shen Kuo-hsiung, director of Foreign Ministry's International Organizations Department, will attend the Sept. 12-13 meeting.

The previous three senior official meetings were held in February, April, and July this year, with discussions focusing on trade and investment.

Shen will hold bilateral talks with representatives of other APEC member countries and exchange views with them on matters of mutual concern during the meeting.

Meanwhile, an unofficial meeting of APEC's Committee on Trade and Investment (CTI) will be held in Hong Kong on Sept. 10 and Sept. 11. The ROC will be represented by officials from the Economics Ministry's National Bureau of Standards, Board of Foreign Trade, and Bureau of Commodity Inspection and Quarantine.

Military Studies Cross-Strait War Scenarios

OW0709134095 Taipei CHUNG-KUO SHIH-PAO
in Chinese 27 Aug 95 p 3

[FBIS Translated Text] "Will the Chinese Communist armed forces encroach on Taiwan?" "How can Taiwan win the next war?" "How will the Chinese Communists wage a war?" All these are topics which the people of our country are deeply concerned with in the wake of the

Chinese Communists' two successive military exercises in the East China Sea.

Localized War More Likely If Resorting to Force

Concerned military units have evaluated the possibility of the Chinese Communists' armed forces encroachment on Taiwan following the first Chinese Communist missile testing maneuvers last July, concluding that there is no sign for the moment that the Chinese Communists would put up a fight against Taiwan; but that if the Chinese Communists are bent on making a political bluff through "military exercises," a localized war against outlying islands may be launched in the future.

As a matter of fact, following the first Chinese Communist missile maneuvers, the General Staff Headquarters has instructed outlying island defense districts to step up combat readiness, and to check their ammunition and grain reserves. After that, generals who are members of the military's core decision-making group, including Chief of the General Staff Lo Pen-li, Commander-in-Chief of the Army Li Chen-lian, and Commander-in-Chief of the Navy Ku Chung-lien, successively inspected outlying islands and extended their greetings to forces there.

According to high-ranking military officers, theoretically, the mode of the Chinese Communists' armed forces encroachment on Taiwan would be a high-tech as well as a conventional war, with high-tech warfare (missiles and electronic warfare) taking precedence over the others. Since the Chinese Communists are not so sure about scoring a victory, and a full-scale war is costly, it is more likely that a localized war, rather than a full-scale war, will be waged across the Taiwan Strait if such a war does break out.

Our Generals Tend to Prompt Military Action

In fact, the Ministry of National Defense has an outline for a war of defense across the Taiwan Strait, codenamed "Kuan Scheme." The "Kuan Scheme" has been the subject of simulated computer testing and military exercises on paper and in practice, whereas the "Hankuang" serial exercises in practice are precisely the foundation for verifying and revising the "Kuan Scheme."

It is understood that the General Staff Headquarters has drawn up a total of nine modes for the Chinese Communists' encroachment on Taiwan, such as blockading the Taiwan Strait and encroaching on outlying islands. However, the military does have relevant defensive plans to cope with each and every mode of encroachment on Taiwan.

No matter which mode of encroachment the Chinese Communists' armed forces take, our generals mostly believe that the next war across the Taiwan Strait will certainly be "fought and decided quickly," and the war will not last long — maybe just a few days.

If the Chinese Communists really attack outlying islands and force Taiwan to accept "unification" by the military means of waging a localized war, military figures believe the Chinese Communists may bypass Kinmen-Matsu and choose islands with few troops and residents. Among them, Tungyin attracts the military's greatest attention because it is a strategic point with missile installations.

Missile Attack is Our Defense Blind Spot

As for the Chinese Communists' mode of attack against outlying islands, military figures pointed out: The Chinese Communists conducted two military exercises this month. The first was the trial launching of M-class missiles, and the second was air and naval maneuvers. "If the armed forces taking part in these two exercises are called together," they will be able to attack our outlying islands. As far as tactical moves are concerned, either "blockade" or "prompt military action" can be taken, but it is more likely that "prompt military action" will be taken and troops will be quickly disengaged from the battlefield.

According to analysis by the military, if a full-scale war, instead of a localized war, breaks out across the Taiwan Strait in future, the Chinese Communists will still first deploy their high-tech missiles and choose to attack such strategic points as airports, naval ports, and radar and air defense missile positions, but not many will be launched.

Missile attack is the "blind spot" of defense of the Taiwan Strait, which is true of both Taiwan proper and the outlying islands. Faced with the Chinese Communists' missile attack, and before the successful deployment of Patriot missiles, the military can only react passively by strengthening defense works. Therefore, the military has stressed repeatedly that the missiles, instead of serving as a decisive attack, are part of a "war of nerves" with a view to disintegrating our mental defenses.

The Chinese Communists' second-wave offensive following the missiles may be carried out by its fighters. According to the military's own estimation, the Chinese Communists will not carry out carpet bombing against Taiwan, but fighters capable of launching air-to-ground attacks will still be called out to destroy our military installations. However, the Chinese Communists' second-wave offensive will be overpowered by our electronic warfare and anti-aircraft weapons and warplanes. As the

air force's "strong net" system started operating last year and two E-2T AEW [Airborne Early Warning] aircraft are to be on active duty next month, we will be able to sound early warnings faster, and to report on the situation of the fighting.

The airspace over the Taiwan Strait will become saturated with 200 or so fighter airplanes. The "Strong Net" system can deal with the situation; at the least, it can guide a wing of fighters (approximately 60 of them) to take on enemy warplanes. The original "Sky Net" system, with its relocation to the east, constitutes a defense system.

Nevertheless, offshore islands still have not had any anti-aircraft missile bases; they only have antiartillery batteries (Penghu and other islands will deploy Tienkung missiles in the future). Thus, we will be in a fairly passive position if we come under attack from Chinese Communist fighters.

We Possess Some Qualitative Edge in Aerial Combat

In terms of air superiority, the indigenous defense fighters [IDF] that have successively entered service with the Air Force, as well as the 430 Phantom and F-16 fighters that will be commissioned in 1997 will give us some "qualitative" edge although we shall still be outnumbered by the Chinese Communists. Although the IDF's can only operate within a relatively small radius and are not a fully developed model, we can compensate for this deficiency if our intermediate-range missiles perform well. This is because the probability of dogfights is low in future aerial combat, which will principally take the form of intermediate-range missiles that fall outside the visual range. Fighters will only play the role of "aerial vehicles."

In terms of naval combat capability, the General Staff believes that the Chinese Communist Navy still lags behind those of Western countries by 15 years, despite its attempt to catch up in recent years. Nevertheless, air units, infantry troops, and coastal defense forces under the Chinese Communist Navy have expanded steadily. Moreover, the Chinese Communists have successfully developed over the past 10 years seven types of antiship missiles, a record in the world's naval history. Some of these missiles were fired during the recent exercises in the East China Sea.

Military sources pointed out: In the future, the Navy will have about 40 main battleships, including Lafayette, Chengkung, Knox, "Kuanghua-3" (or Chinchiang; it is expected that 12 such frigates will be built initially), and Yangchih frigates, with the latter being equipped with Wuchin-3 [no description of weapons given]. Our

overall combat capability will be better than that of Communist China's surface fleet.

The Chinese Communist Navy's superiority lies with its submarines. Our Navy's antisubmarine capability will improve significantly after Knox, Chengkung, and other frigates go into service. The General Staff Department believes that "naval blockade" has consistently topped Communist China's "chart" of modes of invasion against Taiwan.

As Communist China's amphibious vehicles go, the new-generation landing craft are larger and capable of landing and boarding troops quickly. The purpose is to acquire a sea-crossing capability that will ship more than 30,000 naval infantry troops and 400 light combat vehicles. Currently, the Chinese Communists can only transport two divisions at most with their amphibious equipment.

A Decisive "Antilanding" Battle is Crucial to the Outcome of a War

There are three main heavy divisions on Taiwan Island. These are the 226th Division of the 6th Army in northern Taiwan, the 234th Division of the 10th Army in central Taiwan, and the 333d Division of the 8th Army in southern Taiwan. The 249th Mechanized Division of the 6th Army, the 109th Mechanized Division of the 10th Army, and a special air troop from the 8th Army will be deployed as reserve assault troops. Moreover, two Marine Corps divisions will be kept in reserve for use by the General Staff Department.

As the Army's main combat troops go, the ratio of regular servicemen has increased with the implementation in recent years of the 10-year troop reorganization plan. According to an assessment of our military strength submitted by the Army General Headquarters to the Defense Ministry last year, the Army's main combat troops are equivalent to five divisions in the newly reorganized U.S. regular forces.

Because the Chinese Communists can at most ship two divisions across the strait, most Navy and Air Force generals believe that the Chinese Communists will not launch a traditional "amphibious" operation with its limited military strength. Army generals, however, believe that the numerical superiority of the Chinese Communist Navy and Air Force will, sooner or later, erode our partial air and sea superiority across the Taiwan Strait. Hence, a decisive "antilanding" battle is crucial to the outcome of a defensive operation in the Taiwan Strait.

Many wars with profound influence, such as Japan's attack on Pearl Harbor and Iraq's invasion of Kuwait, were unexpected. No one can anticipate when the

Chinese Communists will send their troops as they did in the Korean War in 1950, the border war with India in 1962, the war with Russia [name as published] over Zhenbao Island in 1968, and the border war with Vietnam in 1979.

High-ranking military officers said that people should not unduly spend their time guessing whether the Chinese Communists will launch an armed invasion of Taiwan. It is true that the Chinese Communists have gone all-out to expand their arsenal and increase their defense budgets in recent years. Once they have acquired the capability to invade Taiwan, they will try to do so. The duty of our soldiers, therefore, is to build an effective deterrent force to prevent the outbreak of war.

***Political Implications of Mainland Missile Tests**

95CM0389A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 29 Jul 95 No 437, p 5

[Article by Ch'en Yu-hsin (7115 5940 9515): "All Effects of the Missile Test-Firing Show That Armed Intimidation Must Not Be Allowed To Work"]

[FBIS Translated Excerpt] [passage omitted] As to all of its political effects, this incident not only tested PRC surface-to-surface missiles, but also spilled over to test many anticipated or unanticipated effects:

1. It tested the psychological endurance of the Taiwanese public to take pressure. The roar of the mis-guided [PRC missile] exercises in the East China Sea sent the Taiwan stock market into a sharp slide, with the just-released public announcement of the test-firing causing a drop of over 200 points in the stock market. But while this seemed to show that the Taiwan stock market is hardly able to endure any pressure, the public was not so affected. So if the PRC considers the response of the stock price index alone, it will hardly be able to keep from coming to the mistaken judgement that such means of intimidation are effective.
2. Effects that might be tested. Once the game of intimidation has begun, intimidations to varying degrees or of differing kinds will follow one after the other. So the PRC, temporarily without dropping its mask of "Chinese not fighting Chinese," is likely to use the pretext of testing to steadily pose political threats. For instance, not only will it test-fire missiles close to Taiwan's maritime space, but then it will also test-fly its newly developed fighter aircraft in the vicinity of Taiwan's airspace, as well as test-navigating its recently bought submarines in Taiwan's maritime space.
3. It tested its effect on Taiwan's presidential election. As to the current two sets of presidential campaigners,

Li Teng-hui vs Lin Yang-kang in the Koumintang [KMT], and Peng Ming-min vs Hsu Hsin-liang in the Democratic Progressive Party [DPP], while mainland policy seems to be identical in the two parties, it actually is not. And while the PRC's missile test-firing was enough to raise the morale of their respective public supporters, past cases show that PRC intimidations certainly unite public opinion only rarely, but rather merely bring on a seemingly greater public reaction.

4. It tested international realities vs international justice. If Taiwan were to be invaded militarily by the PRC, whether the international powers would intervene has always been a key topic of discussion in the debate over whether to defend Taiwan through reunification or independence, with views differing even within the independence camp. So the PRC's missile test-firing can serve well as material to observe the degree of concern over this event by international powers such as the United States and Japan, as to whether they will respond with indifference, merely act in line with their respective interests to express grave concern, or even get involved in active mediation. Watching the reaction of these international powers, to see how things will develop from these first small beginnings, is likely to enable the public to understand whether they should actually trust international justice, or rather acknowledge the international realities.

5. It tested the influence of certain figures. In recent years, certain well-known politicians and businessmen have been frequently coming and going around Zhongnanhai in Beijing, as well as asserting to the outside world that they have great influence in Zhongnanhai, with some even claiming that they could delay an armed invasion of Taiwan by the PRC by several minutes with a single phone call. Regrettably, they have never had the chance to prove that, and no one would like to see them tested by such an opportunity. So as this incident was not an armed invasion of Taiwan, rather merely the "lightest" of warnings, it gives such politicians the best chance to prove whether they can cancel or stop the test-firing plans with just a phone call. [passage omitted]

***Anti-Li Faction's View of Missile Exercises**

95CM0389B Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 29 Jul 95 No 437, p 19

[Article by Chi Yen-ling (4764 1693 7117): "Now Is an Excellent Time for the Figures in the Anti-Li Reunification Faction To Take a Public Stand"]

[FBIS Translated Excerpt] [passage omitted] Ever since Li Teng-hui decided to visit the United States, a group of figures in the reunification faction whose mission is to

oppose Li has been repeatedly attacking Li Teng-hui's pragmatic diplomacy for having gone too far, saying that it would sooner or later provoke the PRC to bring on a fatal disaster.

Recently, PRC official and media circles have been making a series of slanders, curses, and threats against the "Taiwan authorities," such as: Li Teng-hui, when in the United States, "bribed key figures, acting subserviently"; "mixed with foreigners as if possessed, willingly serving as a puppet to foreigners;" as well as within Taiwan "gradually echoing, collaborating with, and acting in collusion with the Democratic Progressive Party [DPP] which advocates Taiwanese independence," and "showing an ever more obvious bias toward Taiwanese independence;" and with a "national criminal plotting to divide the nation certain to be nailed to the post of historic shame."

Such nearly "official denunciations of the enemy Li" are being heard by and psychologically refreshing to the figures in Taiwan's anti-Li reunification faction, giving them a spontaneous sense that "great minds think alike" and that "their hearts are deeply touched." And the People's Liberation Army [PLA] decision to test-fire missiles into Taiwan's outer maritime space is making such figures feel even more so their own foresight.

In addition to their sense of satisfaction over "this certainly not having been unexpected," the figures in the anti-Li reunification faction are also exploiting the opportunity to "make a big deal of the missiles:"

"Despite our appeals to him to not engage in pragmatic diplomacy, he has sure enough courted disaster for himself!"

"If he goes on like this, while today's missiles are aimed at Taiwan's outer maritime space, tomorrow's will be aimed at Taiwan itself."

"With the pragmatic diplomacy helping Li Teng-hui to achieve his personal aims, while being disastrous for [the] 21 million [Taiwanese], this is a contemporary replay of the general's successes leaving behind ten thousand withered bones'."

Not only are the figures in the anti-Li reunification faction often heard trading such sarcastic remarks to gloat over Li's misfortune, but they are even more so taking a told-you-so attitude on all sorts of occasions, rushing around declaring the doomsday news that "unless Li Teng-hui steps down, the PRC will sooner or later really attack Taiwan!"

In the sophistic dialectical relationship between "anti-Li" and "the PRC attacking Taiwan," the statement that "if Li Teng-hui steps down, the Communists will not

come" has also become the reading of the figures in the anti-Li reunification faction on the PRC's missile test-firing incident. And the conclusion that "Li Teng-hui is the chief culprit creating the tension in Taiwan Strait relations" has become even more so the consensus of the anti-Li figures on both sides of the Taiwan Strait.

As to the figures in the anti-Li reunification faction, the PRC is only their secondary enemy, with Taiwanese independence being their main foe. The best footnote to this view is Hao Po-tsun's recent statement that "as long as we still exist, we will fight the Communists, but even more so Taiwanese independence, as covert Taiwanese independence is our most feared enemy."

But with PRC missiles already knocking at Taiwan's doors, if the figures in the anti-Li reunification faction still hold to their position on "joining with the secondary enemy to attack the main foe," continuing to sing in chorus with the PRC in criticizing and denouncing Li Teng-hui, fanning the flames for Beijing, and even trying to use the PLA to put Li Teng-hui in a fatal position, they will be bound to turn into what Hao Po-tsun calls "traitors" and "contemporary Benedict Arnolds'."

The "dictionary" definition of a traitor is "one who willingly engages in acts harmful to one's own country in the interests of aliens." While the figures in the anti-Li reunification faction have always been criticized as PRC fellow travelers and mouthpieces without debate, now is an excellent opportunity for them to take the public stand that the PRC is the "alien." So when alien forces are nearing our cities, if they continue to breathe through the same nostril as Beijing, they will no longer be able to complain that they are misunderstood. [passage omitted]

Government To Punish 54 People in Two Scandals
OW0809060895 Taipei CNA in English
0136 GMT 8 Sep 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Sept. 7 (CNA) — The task force organized to probe into two recent financial scandals recommended Thursday that 54 officials, including a vice finance minister, be punished for their dereliction of duty.

But Premier Lien Chan was not content with the list and asked that the punitive measures and the people responsible undergo further review, according to Jason Hu, director-general of the Government Information Office, who repeated Lien's instruction.

The task force, led by Minister Without Portfolio Wang Chou-ming, suggested that 35 people be punished for

the Fourth Credit Cooperative incident, a fraud that eventually led to a run on banks in central Taiwan between late July and early August.

Yeh Chuan-shui, president of the Fourth Credit Cooperative, and several accomplices were arrested for swindling more than NT [new Taiwan] \$2 billion (US\$72.72 million) from the regional financial institution.

Vice Finance Minister Chen Mu-tsai and Chen Se-an, director of the Bureau of Monetary Affairs under the Finance Ministry, should each have minor demerits added to their government employment records, according to the task force.

The heaviest punishments should go to Sunney H. Liu, the retired director-general of the Banking Examination Department of the Central Bank of China, Liu's successor Hsieh Wen-ta, and Huang Tai-kang, an auditor with the department. It was suggested that each of them be given a major demerit.

Lien, Hu pointed out, said he simply could not understand why Yeh's fraudulence, which began in 1989, was not detected during the regular financial checks by relevant government agencies.

The task force also recommended that both Central Bank of China (CBC) Deputy Governor Paul Chiu and former CBC Deputy Governor Peng Fai-nan be given censures, the slightest punishment for government employees, for the International Bills Finance Corp. (IBFC) scandal, which also occurred in August.

With the assistance of several co-workers, a young member of IBFC staff used bogus commercial papers to acquire some NT\$10 billion to fund his investment in the Taiwan Stock Exchange.

In addition to the CBC and Finance Ministry, others to be punished are from the cooperative Bank of Taiwan, Bank of Taiwan, Land Bank of Taiwan, provincial department of finance and bureau of finance under the Changhua county government.

The investigation bureau discovered that 30 persons were involved in the financial irregularities, and accused them of fraudulence, breach of trust, violation of securities transaction law, document forgery and several other charges.

The bureau on Thursday turned over the Fourth Credit Cooperative case to the Changhua prosecutor's office for further investigation.

Hong Kong

Candidates Urge Reversal of Tiananmen Verdict
HK0809013095 Hong Kong EASTERN EXPRESS
in English 7 Sep 95 p 2

[By Sam Mok]

[FBIS Transcribed Text] Pro-China candidates in the Legislative Council [Legco] elections have toughened their stance against the Chinese government's 1989 massacre of pro-democracy activists in Tiananmen Square.

Cheng Yiu-tong, a deputy to the National People's Congress of China and the chairman of the Federation of Trade Unions (FTU) said he "supports the patriotic prodemocracy movement initiated by students in protest against corruption and opposes the oppression". Cheng was responding to a poll of candidates taken by the University of Hong Kong Social Science Research Centre. He is the only member of the leftwing camp, and of all the 76 respondents to the survey, who identifies the movement as patriotic and pro-democracy despite official Chinese condemnation of the incident as a "subversive riot". None of the respondents to the questionnaire expressed total support for the Chinese government's actions in 1989.

Most of the Democratic Party candidates said the Chinese government should amend its judgment on the Tiananmen protest and that officials should be punished for the massacre. Candidates of the moderate pro-democracy group, the Association for Democracy and People's Livelihood, said the official verdict should be thrown out, but they did not demand punishment for those who ordered the killings. The two candidates from the pro-China Democratic Alliance for Betterment of Hong Kong said they "support the anti-corruption movement and disagree with the oppression". The vice-chairman of the FTU, Leung Fu-wah, said "the Chinese government had managed the event improperly and the students' initial objectives deserved support".

More than half of the respondents said the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, an organisation launched to support of the Tiananmen movement but branded "subversive" by Beijing, should not be disbanded.

Most Candidates Expect To 'Straddle' Handover
HK0809015095 Hong Kong EASTERN EXPRESS
in English 7 Sep 95 p 2

[By Jimmy Cheung]

[FBIS Transcribed Text] More than half of the hopefuls in the Legislative Council [Legco] elections believe they

can straddle the 1997 handover if they are elected. But some Democrats and liberals believed they would be thrown off the through train when China resumes sovereignty.

In a survey co-sponsored by EASTERN EXPRESS, 53 per cent of the 76 candidates who responded felt Beijing would allow them to serve beyond 1997, while 17 per cent believed they would be axed by the Chinese authority. The questionnaire by the Hong Kong University Social Science Research Centre polled 138 candidates on a wide spectrum of issues, ranging from livelihood to transitional affairs.

Among those pessimistic about their chances of a smooth political career are the core members of the Alliance in Support of Patriotic Democratic Movement in China and the Democratic Party, including Lee Cheuk-yan, Cheung Man-kwong, Albert Ho and Lee Wing-tat. Szeto Wah, branded by Beijing as a "subversive", did not respond to the question, but said all returnees should ride the through train.

The aspirants are split as to whether the new Legislative Council should straddle 1997. Forty-five per cent said the council should continue its term after simple confirmation procedures while 33 per cent believed all returnees should ride the through train. Only 11 per cent supported a fresh round of elections after 1997.

The strong wish for a through train was also echoed by candidates' sentiments on the proposed provisional legislature. About half voiced opposition to the structure while 35 per cent supported it.

On employment matters, more than 65 per cent opposed the importation of foreign labour, and fewer than 15 per cent backed the policy. Most of the candidates — 87 per cent — wished to see legislation giving local workers priority in employment. When asked what is the most important issue in the territory, nearly 40 per cent said unemployment while another 25 per cent pointed to a sluggish economy. Only a quarter named political issues, while most believed the Government and the Legislative Council should make employment a top priority.

The candidates hoped the Chinese government would strengthen communication with Hong Kong, respect public opinion and boost confidence.

Nearly all respondents agreed that Taiwan should continue to have a representative authority in the territory after 1997 and 50 per cent said Taiwan should be allowed to use its own flag and emblem.

When asked if the Governor, Chris Patten, should be given a farewell party, about 60 per cent said "yes" while 25 per cent said "no".

Further on Jeremy Hanley's Hong Kong Visit

Meets With Zhao Jihua

HK0809015295 Hong Kong HONGKONG
STANDARD in English 7 Sep 95 p 2

[By Dominic Lau and Laura Chan]

[FBIS Transcribed Text] The minister responsible for Hong Kong affairs, Jeremy Hanley, yesterday had what was described as a "pleasant" meeting with China's Joint Liaison Group (JLG) team leader Zhao Jihua. The luncheon between the two was hosted by British JLG team leader Hugh Davies.

After the meeting, Mr Hanley, who was on the last day of his five-day visit to the territory, said: "We've had a very good meeting indeed. The discussions today will help to make progress in the JLG and that over the coming months and with the two foreign ministers' meeting in London (in October). [sentence as published] I am certain we can help bring an end to any uncertainties in the coming months."

Mr Hanley said he and Mr Zhao had discussed the issue of permanent residency among other things over lunch. "We've discussed of course, issues like that in the informal setting that we were in, and I think all I can say today is that we can see a determination that these are important issues for the people of Hong Kong." The minister added: "I believe that the setting is there for those issues to be resolved in due course."

But a government source was not optimistic that Chinese and British government would come to an agreement on the nationality issue by the end of the year. "I do not foresee an agreement will be signed very soon," the source said.

Mr Hanley, who leaves for Singapore, said he might return to Hong Kong next year.

Full Text of Hanley's Speech

HK0809021095 Hong Kong HONGKONG
STANDARD in English 7 Sep 95 p 13

["Full text" of speech by newly appointed Hong Kong Financial Secretary Donald Tsang Yam-kuen to the Hong Kong General Chamber of Commerce on 6 September: "No Gimmicks When it Comes to Finance"]

[FBIS Transcribed Text] I have now been Financial Secretary for just six days. My first impression is that it is going to take me a little time to get used to all

the media attention. But, as that great wit and sage Mae West once remarked: "It is better to be looked over than to be overlooked."

I am grateful, Mr Fung (William Fung, chamber chairman) to you and the General Chamber of Commerce, for your kind invitation today. You have given me an opportunity to make what you might call, my "inaugural address".

I believe, as did my predecessor Sir Hamish Macleod that the most important characteristic of a Hong Kong Financial Secretary — or indeed a Finance Minister anywhere — is that he should be predictable. My policy is not to create excitement in the management of our public finances. Nor do I have any appetite for thrills and spills with forex derivatives. But if you want a predictable, consistent and prudential approach to public finances, look no further than Hong Kong. I want to make it plain to you today that there will be no sharp break with the past, no major changes of policy and absolutely no gimmicks. Hong Kong's public finances are simply too important for policy experiments.

My aim today will be to state, as clearly as I possibly can, what the Governor often calls the "eternal verities" of public finance. That is, the essential facts of life, the home truths, the downright common sense which have been the values behind Hong Kong's astonishing success. I say astonishing success. How else could you possibly describe it? More than 30 years of unbroken economic growth.

Living standards

This has transformed the living standards and the expectations of this community. And my first task as Financial Secretary is to make sure that Hong Kong's economy goes on growing at a steady and sustainable pace.

Hong Kong is not a flash-in-the-pan economy. If you will forgive the metaphor, ours is the story of a steady, simmering success. We have reached the stage in our development where Hong Kong is a mature service economy. Our comparative advantage comes from the excellence of the services which we provide, the integrity of our financial institutions and the sheer flexibility and efficiency of the businesses which you members, Mr Chairman, run so successfully.

Yesterday, the World Economic Forum published their 1995 World Competitiveness report. The report identifies Hong Kong as the third most competitive economy in the world, rising from its fourth position last year. That speaks volumes for the resilience of our economy.

My highest priority is, quite simply, to maintain the momentum of our economic growth. It is economic growth which creates wealth, and it is economic growth which creates the resources we need to go on improving our public services, to go on enhancing the quality of life for the whole community.

At the heart of the management of our public finances is a very simple formula, a formula familiar to you all. First, the rate of growth in public spending must stay firmly in line with the trend rate of growth of GDP. Second, we must stick to low and predictable taxes balanced budgets and strong reserves. You have heard all this before. And you will hear it from me again, in each of my budgets. These are the articles of our economic faith. They are the best guarantee of our future prosperity.

I have spoken of our need for steady and sustainable growth. We are forecasting a 5 per cent real increase in GDP. This is not quite as high as we predicted earlier this year. But don't overreact to this revised forecast. The essential points are that the overall economy remains sound and vigorous and 5 per cent real growth is a healthy and sustainable rate of expansion for a mature economy like ours. Just remember, ladies and gentlemen, if an economy enjoys a 5 per cent annual real growth rate, every 14 years it will double the total wealth of its community. And it will be able to spend twice as much on its full range of social services including housing, health, education and infrastructure. Its market will have twice the spending power, twice the disposable incomes to spend on goods and services.

Perspective

So let's keep the latest revision of our GDP forecasts in perspective. At a macro level, we are still very much on target. But economics has not been called the "dismal science" without good reason. Too often, economics ignores the human dimension. I am very much aware that there is a deep anxiety in the community today about unemployment. This anxiety is not confined to the labour force. It is shared by the business community, as well as by me and my colleagues in the government. There is a clear consensus that the government should do everything in its power to promote full employment. I say "within its power" because the community recognises that it is market forces, not mandarins, that guide our economy best. As Financial Secretary, I realise that behind the cold statistics of unemployment are men and women and their families who have lost their jobs, lost their monthly incomes and are worrying about making ends meet. A society which prizes consensus has to help these people get back on their feet help them to rejoin

the work force. In this way, we will avoid a welfare culture, with its threat to our work-ethic.

An obviously encouraging sign is that the creation of new jobs is continuing. Take a look at the newspapers, for example, last Saturday. The Chinese and English press carried a total of 172 pages of job advertisements. This is not surprising because our economy is continuing to expand. As usual in a dynamic economy like ours, some sectors are moving ahead rapidly, while others take a pause. But we cannot allow individuals to become marooned by the process of economic and technological change. We have to help them find their way back into the labour force.

The government's response involves a three-part policy. The first and most directly useful is job counselling and retraining. These programs give displaced workers the skills they need to match the jobs available. But counselling and retraining also help to restore the confidence and adaptability of the people who have experienced the paralysing trauma of unemployment.

Second, we have to tackle the attitudes of employers and employees. You, ladies and gentlemen, have a contribution to make. Too often employers have rigid stereotypes of the "ideal" recruit. It's no use simply complaining about the difficulties of finding the right person to fill a job. There are plenty of people who, with some retraining, would be able to meet any reasonable requirements. But I cannot understand why, for example, a customer service agent with "good interpersonal skills and service attitude", to quote a recent ad, must also be "aged below 25". Why can't a 26-year-old, or a 36-year-old for that matter, be equally dedicated, committed and willing to learn? Rigidities in the labour market are, all too often rigidities in the mind-sets of employers as well as workers. For instance, some unemployed construction workers are reluctant to accept employment which requires contract discipline so essential nowadays for the completion of major infrastructural projects on time and within budget.

Third, we must not allow a scheme designed to strengthen our economy by importing labour in areas of shortages to create opportunities for illegal employment at the expense of our workers. There has been great deal of discussion of the General Importation of Labour Scheme. We, in the government, take the criticisms made very seriously, and as you know, we are examining the scheme critically. We shall listen to constructive views about the way forward. I hope that the labour unions, employers and chambers of commerce can work together with us to get the balance right.

Imported Labour

In the meantime, we must make sure that the law is enforced. Illegal employment is not acceptable. At the same time, I have to emphasise the clear need for the flexibility to import workers to meet particular requirements. The new airport is an obvious example. Imported labour has made a major contribution to our past growth and we cannot let a shortage of specific skills or particular types of labour act as a barrier to our future expansion.

Earlier on, I spoke about the fundamental principles of the management of our public finances. There are two other principles which form the bedrock of Hong Kong's economic policies. The first is the linked exchange rate of our currency. Here I want to squeeze out any ambiguity, any room for misunderstanding. The linked exchange rate has been tested many times since 1983. Mostly recently, in the wake of the Mexican peso crisis in January when our Hong Kong Monetary Authority swiftly defeated the speculators. [sentence as published] For the last 12 years, the linked exchange rate has given us the certainty that our businessmen and women have needed. It has given us the stable currency and the stable financial institutions that are essential to economic growth. I now want to say to anyone who doubts our resolve: please think twice about speculating against the mechanism. As many speculators discovered in January, if you don't want to get your fingers burnt, don't play with fire. I am not prepared to allow any risks to be taken with our currency. The linked exchange rate will continue at the present level. There will be no adjustments, no tinkering, so long as I am Financial Secretary. I think that John Maynard Keynes put the point very well when he said: "Lenin was right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency." I want to take this opportunity to record that I am encouraged by the way in which the Chinese authorities have given their unequivocal support to the continuation of the linked exchange rate both now and beyond 1997.

The remaining bedrock principle I want to mention is our commitment to free trade and to open and fair markets. In the long run, protectionism hurts everyone on both sides of the trade barrier. It is only by renewing our commitment to market forces that we can keep our economy nimble and successful. The new World Trade Organisation and Apec [the Asia-Pacific Economic Cooperation forum] will make a vital contribution towards extending free trade in this region and the world. Hong Kong will be participating in the Apec Economic Leaders meeting at Osaka in November to consider with our neighbours important steps to implement the free trade declaration, "the Bogor

Statement" — made in Indonesia last year. And we will play host to an Apec senior officials meeting next week to prepare an action agenda for the meeting of the economic leaders. Let me assure you that in these international forums, there will be no more vigorous an advocate of free trade than your Financial Secretary.

Ladies and gentlemen, it is not my job to run the economy. The economy is driven by market forces, by your decisions as entrepreneurs and investors. But we in the government can help. I recognise that Hong Kong has to meet complex challenges in the transition from a manufacturing based to a service-oriented economy. To ensure that we stay ahead of the game, I have set up a task force, which I personally chair, comprising key policy secretaries. My mission is to come up with proposals for new policies and new institutions to promote the service industries. This work will include an assessment of Hong Kong's strengths and weaknesses as a service economy, the strategies and priorities for the future, and how to create a domestic environment conducive to further development of services. We will need your input, ladies and gentlemen, as well as the advice of the services sector as a whole. Let me invite your full and frank participation in this endeavour.

Next month, a new and historic Legco [Legislative Council] will convene, the first fully-elected legislature in our history. For the government, the task will be to develop a close working relationship with the new Legislative Council.

Consultation

My predecessor established a much-acclaimed system of consultation with Legco members over the budget. I will build on this spirit of co-operation, and I will welcome Legco's views on the budget and other issues. These channels of communication will become all the more important, now that the Financial Secretary is no longer a member of the Legislative Council.

I see my primary tasks as Financial Secretary as helping Hong Kong through two transitions:

- To complete the transition to a service and technology-based economy, and even more important.
- To complete the transition to Chinese sovereignty and our future role as a Special Administrative Region.

As 1997 draws near, we need to achieve closer co-operation with our future sovereign power, while upholding the commitment to Hong Kong's separate systems enshrined in the Joint Declaration and promised in the Basic law. We must build on the agreements reached

with China earlier this year on the financing arrangements for the airport and the airport railway. The transitional budget talks are continuing in a very pragmatic and businesslike manner. They augur well for the transition. As Hong Kong travels across 1997, we will need more than sound economic fundamentals to maintain our prosperity. The task for all of us in the government is to make a reality of "one country, two systems".

This is my agenda, these are my tasks, ladies and gentlemen. I am privileged to be able to contribute to making a success of Hong Kong's ambitious endeavour. And I feel grateful to you, Mr Chairman, for this opportunity to put on the record my convictions and my hopes for the future.

***Article Assesses Changes after July 1997**

95CM0371A Hong Kong CHIU-SHIH NIEN-TAI [THE NINETIES] in Chinese 1 Jul 95 No 306, pp 46-47

[Article by Li Yi (2621 1837): "Changes In Hong Kong after July 1997"]

[FBIS Translated Text] What would Hong Kong be like on 1 July 1997? Many people are thinking, speculating. No matter how confident one is about post-1997 Hong Kong, deep down inside one has no clear idea as to what Hong Kong's politics, economy, society, culture will be at that time, in contrast to his understanding of the current situation.

Naturally Hong Kong residents are very concerned about the post-1997 situation because it will affect them most intimately. Will human rights guarantees evaporate overnight? Will residents be stripped of legal rights? Will a person be subject to arrest and disappear without a trace at any moment, his whereabouts unknown even to his family members?

Even if things do not go to this extreme, would people still be able to talk freely and openly in the same way they do now? Would TV networks, radio stations, and newspapers be free to criticize the CPC and the Hong Kong government?

Consider also these questions: Would people be able to enter and leave Hong Kong freely? Can a person take off simply by buying a plane ticket? Or does he have a go through miles of red tape, much like their counterparts do on the mainland?

A decision was made, erroneously, to suspend trading on the local stock market for three days after stock markets around the world crashed in 1987. Would similar events happen in the future? Would some high-ranking official decide in the future to suspend foreign exchange trading for three days when faced with an accelerated outflow of Hong Kong currency, thus

undermining Hong Kong's reputation and stature as a financial center?

For people residing overseas who visit Hong Kong often, will post-1997 Hong Kong remain as accessible as it is now? At present visitors from most nations can enter Hong Kong without a visa. Will that change after 1997? Will it be easier or harder for people to visit Hong Kong?

The business community in Hong Kong is highly satisfied with the current administrative efficiency and feels secure under the existing legal system. To open a business, you only need to talk to your lawyer instead of having to ask the government. To start a company, even a company of limited liability, a law firm and accounting firm can take care of the formalities in a day or two, so the company can open for business right away. And in the case of an unlimited company, you simply register with the government and open for business the same day. Thus regulated by law, businessmen are free to do what they do best. Will things stay the same after 1997?

At a more detailed level, many streets in Hong Kong smirch of colonialism, with names like King's Road, Queen's Road, and Prince Edward Road. Others, such as Pottinger Street and Macdonald Road as well as McLehose Lane in one of the suburbs, are named for successive Hong Kong governors. Will these street names be changed after 1997?

To be professionally accredited in Hong Kong, one must possess academic qualifications granted by a British university or a university in a British Commonwealth nation. A graduate from an institution in all other nations must pass an examination before he is allowed to practice in his profession. Although this practice is of proven effectiveness, it may be abolished after 1997 as the British Commonwealth loses its special recognition. This would vastly liberalize the entrance requirements for professions like medicine, law, accounting, and architecture. Will professional standards vary significantly as a result, to the detriment of social health and stability in industry and commerce?

Would Hong Kong schools use Chinese as the teaching medium after 1997, thus lowering the overall standard of English in Hong Kong? If that comes to pass, would Hong Kong be able to establish itself as an international financial center?

Would people in Mainland China flock to Hong Kong, where the average income is ten times higher? How could Hong Kong cope with such an influx? Would it spell disaster for the entire society?

Would the wind of corruption now raging on the mainland make its way straight to Hong Kong after

1997, polluting this honest society? If justice ceases to exist in Hong Kong and if Hong Kong too becomes a place where corruption runs rampant, how can it be an international city or a global financial center? Will investors around the world invest in a city overtaken by privilege and corruption?

Every time they came to Hong Kong in the past, people from both sides of the strait bought political-commentary magazines like CHIU-SHIH NIEN-TAI to take home with them. Now that press censorship has been lifted in Taiwan, fewer people from Taiwan do that, but many mainlanders continue to come to Hong Kong to buy the publications. Would political-commentary magazines survive 1997? Would there be room for them? Maybe we can go further and ask: Would Hong Kong continue to offer the same vantage points from which to observe the mainland?

Let's now take a look at Hong Kong culture. Hong Kong has traditionally been the leader in pop culture—television, movies, and pop music—on both sides of the strait. As a trend-setter, Hong Kong pop culture is rich and vibrant. Would there be "forbidden zones" in cultural creation after 1997, reducing the local pop culture to a pale shadow of its former self?

Even more intriguing is the question of what kind of person the Hong Kong resident will become after 1997. Before 1997, the people of Hong Kong are basically free and happy people, international, astute, and good at making money. Would these characteristics make their way to the mainland after 1997? Or would the locals adopt the traits of the mainlanders? We need not discuss the traits at length here, but they are clearly essentially different from the characteristics of Hong Kong people.

What would Hong Kong be like after 1997? That question is not easily answerable. Would a crystal ball help? Probably not. Many people expect things to be a little different after 1997. In what ways? That is hard to say.

When we say post-1997 changes, we do not mean changes taking place on 1 July 1997. There would only be formal change that day; the Union Jack will be lowered and the Five-Starred Red Flag raised, People's Liberation Army [PLA] troops will be stationed in Hong Kong, and Hong Kong's first top administrative officer will take the oath of office in a ceremony presided over by bigwigs from Beijing and the chief justice. The lives of ordinary people are not expected to change that very day. The changes will come later and gradually. We are not in a position to predict what change will occur at a specific point in time. All we could do is to analyze the gradual change that will come about based on the available materials.

Back in 1982, before Britain and China began formal talks on Hong Kong's future, Liao Cheng-zhi [1675 2110 1807], then head of the Hong Kong and Macao Affairs Office in the State Council, said that after the return of sovereignty to China in 1997, Hong Kong would have a new flag, a new governor, and that's all; nothing else would change, he said. Today, a dozen years later, no top-ranking Chinese officials, including those in charge of Hong Kong affairs, would say such a thing or think such a thought, would they?

Taiwan Seat on Preparatory Committee Considered
HK0809015495 Hong Kong HONGKONG
STANDARD in English 7 Sep 95 p 4

[By M Sung]

[FBIS Transcribed Text] China has refused to confirm whether Taiwan will have a seat on the Preparatory Committee. Taipei's local representative has said the island should have a voice on the powerful body that will set up the Special Administrative Region.

Beijing is considering giving Taiwan representatives one or two seats on the Preparatory Committee, an adviser to the Chinese authorities said. A Chinese official in charge of Taiwan affairs said the selection of specific candidates representing Taiwan had to go through certain procedures. The source was reluctant to confirm whether Taiwan would have a seat, saying it was an extremely sensitive question. He said China understood Taiwan was concerned about Hong Kong's development. Taiwan would look at the transfer as a model of things to come and keep a close watch on the implementation of "one country, two systems", he said.

Hong Kong and Macao Affairs Office political affairs director Xu Ze gave a muted reply to the question. Mr Xu said Beijing had made its "one-China" stance clear and all matters had to be resolved on that basis.

Taiwan's Mainland Affairs Council said it had not yet received any information on its seat at the Preparatory Committee. National Assembly member Susie Chiang Su-hui said Taiwan should have a voice on the powerful body. "There are a large number of Taiwan citizens, organisations and businesses in Hong Kong. Our voice should be reflected through this proper channel on the issue of the post-1997 government," Ms Chiang said. However, she doubted whether Beijing would be sufficiently open minded to let a Taiwanese representative sit on the committee. "Beijing seriously accused Taiwan of attempting to interfere in Hong Kong affairs after our president (Li Teng-hui) said earlier this year that Taiwan was concerned and wanted to participate actively in Hong Kong affairs. So I personally do not believe they will display such magnanimity towards Taiwan."

Ms Chiang also heads Kwan Hua, the de facto information office of the Taiwanese government in the territory. So far, she said, no contact on the issue had been made with the local branch of the Xinhua News Agency, Beijing's top representative body in Hong Kong. A Taiwanese representative on the Preparatory Committee should be a Taiwanese citizen resident in Hong Kong, rather than an official sent from Taipei, she said.

Chinese University Professor Lau Siu-kai said setting a seat aside for Taiwan sounded impossible because membership of the Preparatory Committee had to be in an individual capacity. "It is good to have a voice reflecting the interests of Taiwan on Hong Kong affairs in the Preparatory Committee, but it is inappropriate to set a particular seat to serve such a purpose," he said. "We also have to take note that the Preparatory Committee is to take care of the matter of the transfer of sovereignty, not the relationship between Hong Kong and Taiwan."

Prof Lau, a member of the Preliminary Working Committee, which will be replaced by the Preparatory Committee, said it would be appropriate to recruit a Hong Kong resident who had close ties with the Taipei government and its commercial sector. "So whether a pro-Taiwan representative is necessary is questionable," he said.

Macao

Macao To Plan National Day Celebrations

OW0709144395 Beijing XINHUA in English
1418 GMT 7 Sep 95

[FBIS Transcribed Text] Macao, September 7 (XINHUA) — A special committee composed of compatriots in Macao was established here today to celebrate the 46th anniversary of the founding of the People's Republic of China (PRC).

More than 300 representatives from industrial, commercial, educational, religious and other social circles attended this evening's ceremony for the establishment of the Macao Compatriots' Preparatory Committee for the 46th Founding Anniversary of PRC.

The preparatory committee decided that a gathering would be held on October 1 to celebrate the National Day of China.

O Ching Ping, adviser to the XINHUA NEWS AGENCY Macao Branch, delivered a speech at today's meeting. He spoke highly of the great achievements that China has made since the beginning of the year in reforms in state firms and other economic aspects.

Talking about Macao, he said, the two governments of China and Portugal maintained good relations of cooperation since the beginning of this year, adding that the visits of Portuguese President Mario Soares and Macao Governor General Vasco Rocha Vieira to China in April had active significance to the consolidation and development of friendly relations between the two nations and their cooperation on Macao issue.

O said, Macao's development in the past 46 years, especially in the past over one decade, benefited a lot from the support of the motherland and the reform and opening up. He noted, during the transitional period of Macao, the motherland would be the powerful backing for maintaining Macao's social stability, economic development and smooth transition.

He also praised Macao compatriots for their support to the motherland's economic construction and the development of other undertakings in the past, and encouraged them to continue to carry on the glorious tradition of loving the motherland, loving Macao and safeguarding the national interest, to contribute more to Macao's smooth transition and to fight for the reunification of the motherland.

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